

and Salaries, you are not entitled to the deduction.

Example 2:

Taxpayer A is issued a Form W-2CM. Box 16 of Form W-2CM is \$25,000. Box 14 of Form W-2CM is \$1,200. The rental contract is for \$300 per month, beginning September 2023 and ending in December 2023.

Income reported in Box 16 of W-2CM: \$25,000
Housing Allowance reported in Box 14 of W-2CM: \$1,200
Deduction reported on Line 4 of the Form 1040NMI: \$1,200

Total Taxable CNMI Wages and Salaries reported on line 5 of the 1040NMI: \$23,800

Example 3:

Taxpayer B is issued a Form W-2CM. Box 16 of Form W-2CM is \$55,000. Box 14 of Form W-2CM is \$10,000.

Taxpayer B shares a home with a co-worker for twelve months. The contract for the rental is \$10,000. Her share of the rental is \$500 per month. Taxpayer B can deduct \$6,000, her annual share of the rent.

Example 4:

Taxpayer C receives total compensation from an employer in the amount of \$50,000. \$40,000 is cash compensation and \$10,000 is for qualifying rental payments. Taxpayer C is issued a Form W-2CM. Box 16 of Form W-2CM is \$40,000, because the employer already excluded the \$10,000 rental allowance. Taxpayer must report the \$10,000 rental allowance on the 1040CM Schedule WSD but is not entitled to a deduction on Line 4 of the Form 1040NMI or in calculating your Taxable CNMI Wages and Salaries on Line 5 of Part A of the 1040NMI.

Wage and Salary Deduction. PART A Primary taxpayer Information

Enter the amount from line 7, on line 4, Part A, column A, of Form NMI-A (Form 1040CM), or

line 4, Part A of Form 1040NMI, or line 4, Part A, page 6, of form 1040NR-CM.

Wage and Salary Deduction. PART B. Spouse information (filing jointly).

Enter the amount from line 7, on line 4, column B, Part A, of Form NMI-A (1040CM).

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As of Jan 24, 2024