

TAX-EXEMPT ORGANIZATIONS

Generally, all non-profit organizations are subject to all applicable CNMI taxes unless the organization applies for and is granted tax-exempt status by the CNMI Division of Revenue and Taxation. An organization which has been granted tax-exempt status by the U.S. Internal Revenue Service must still apply for tax exempt status with the CNMI. Organizations granted tax-exempt status are not exempt from taxation on unrelated business taxable income.

APPLICATION FOR RECOGNITION OF EXEMPTION FORMS

Forms available:

- Form 1023EZ-CM, Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.
- Form 1023, for charitable organizations, Application for Recognition of Exemption Under Section 501 (c) (3) of the Internal Revenue Code (PDF)
- Form 1024-A, Application for Recognition of Exemption Under Section 501 (c) (4) of the Internal Revenue Code (PDF)
- Form 1024, Application for Recognition of Exemption Under Section 501 (a) of the Internal Revenue Code (PDF)

Forms and instructions, except for Form 1023EZ-CM, can be downloaded from the IRS website. Click on <https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status>

2021 APPLICATION FEE

\$600. Application for Recognition of Exemption under 501.

\$275. Application for recognition of Exemption under 501 (c) (3) submitted on Form 1023-EZ

\$10 Application for recognition of Exemption - Business Gross Revenue Tax

\$10 Application for recognition of Exemption - Earnings Tax

ANNUAL REPORTING

Tax exempt organization are required to file annual returns. To download the appropriate form, click on <https://www.irs.gov/charities-non-profits/annual-filing-and-forms>, “annual returns.” The form must be completed and filed with the Taxpayer Assistance Section, Compliance Branch, First Floor, Joeten Dandan Building on Saipan or District Offices on Rota and Tinian.

ADDITIONAL INFORMATION

For more information regarding Charities and Nonprofits go to the IRS website <https://www.irs.gov/charities-and-nonprofits>

CONTACT

Technical Research and Appeals Branch
P.O. Box 5234 CHR
Saipan, MP 96950
(670) 664-1000

APPLICATION FOR TAX EXEMPT STATUS CHECKLIST

Requirement	DRT	Previously Granted by IRS	Simultaneous Application DRT&IRS
Cover Letter - Specify Tax Type (§ 70-40.6-401(b) and (c) of this subchapter and § 501 of the NMTIT)	x	x	x
Form 1023 or Form 1024	x	xx	xx
All supporting documents required by the application	x	xx	xx
Form 8718, User Fee (proof of payment)	x	xx	xx
NMTIT			
Business Gross Revenue Tax			
Earnings Tax			
Favorable determination letters and updated determination letters		xx	xxx
Affidavit, testifying, under penalties of perjury		x	x
<i>by an authorized, knowledgeable agent of the organization, setting forth that all the facts contained within its application with the U.S. Internal Revenue Service and supporting documents are true and have not changed in any way that would affect its continuing tax-exempt status with the U.S. Internal Revenue Service;</i>		x	
<i>It has on a specified date (as specified therein) applied for tax-exempt status with the U.S. Internal Revenue Service</i>			x
<i>Copies of its application and supporting documents submitted above were submitted to the U.S. Internal Revenue Service</i>			x
<i>It has paid the appropriate user fee as specified on form 8718 to the U.S. Internal Revenue Service;</i>			x
<i>Its purposes are within those specified in § 70-40.6-001 of this subchapter, § 501 of the NMTIT, or both, as applicable</i>			x
Any other materials requested by DRT	x	x	x

x Application Requirement

xx Copy

xxx Must provide DRT with favorable determination letter from the US IRS 30 days from date on the IRS Letter.

For Revenue and Taxation Regulations, <http://www.cnmilaw.org/pdf/admincode/T70/T70-40.6.pdf>