DIVISION OF REVENUE AND TAXATION
Department of Finance
Commonwealth of the Northern Mariana Islands
CORPORATE INCOME TAX RETURN

For calendar year 2014 or tax year beginning _____ , 2014, ending _____ , 20 __

Form **1120-CM**   **2014**

For official use only

A Check if :

1a Consolidated return (attach Form 851) . . . . ☐

b Life/nonlife consolidated return ☐

2 Personal holding company (attach schedule PH) . . . ☐

3 Personal service corp (see instructions) . . . ☐

4 Schedule M-3 attached . . ☐

TYPE OR PRINT

Name

Number, street, and room or suite no. If a P.O. box, see instructions.

City or town, state, and ZIP code

B Employer identification number

C Date incorporated

D Total assets (see instructions)
$

E Check if: (1) ☐ Initial return   (2) ☐ Final return   (3) ☐ Name change   (4) ☐ Address change

Source of Income and Deductions

		A. WITHOUT		B. WITHIN		C. TOTAL
Income						
1 a Gross receipts or sales (see instr.) **1a**						
b Returns and allowances (see instr.) **1b**						
c Balance. Subtract line 1b from line 1a **1c**						
2 Cost of goods sold (attach Form 1125-A) **2**						
3 Gross profit, Subtract line 2 from line 1c **3**						
4 Dividends (Schedule C, line 19) **4**						
5 Interest **5**						
6 Gross rents **6**						
7 Gross royalties **7**						
8 Capital gain net income (attach Schedule D (Form 1120)) **8**						
9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797) . . **9**						
10 Other income (see instructions - attach statement) **10**						
11 Total income. Add lines 3 through 10 . . . . ▶ **11**						

		A. WITHOUT		B. WITHIN		C. TOTAL
Deductions (See instructions for limitations on deductions.)						
12 Compensation of officers (see instructions - attach Form 1125-E) . . . **12**						
13 Salaries and wages (less employment credits) **13**						
14 Repairs and maintenance **14**						
15 Bad debts **15**						
16 Rents **16**						
17 Taxes and licenses **17**						
18 Interest **18**						
19 Charitable contributions **19**						
20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562) **20**						
21 Depletion **21**						
22 Advertising **22**						
23 Pension, profit-sharing, etc., plans **23**						
24 Employee benefit programs **24**						
25 Domestic production activities deduction (attach Form 8903) **25**						
26 Other deductions (attach statement) **26**						
27 **Total deductions.** Add lines 12 through 26 . . . . ▶ **27**						
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 . . . . **28**						
28a Allocable percentage **28a**		%		%		100 %

29 a Net operating loss deduction (see instructions) **29a**

b Special deductions (Schedule C, line 20) **29b**

c Add lines 29a and 29b **29c**

Tax, Refundable Credits, and Payments		
30 **Taxable Income.** Subtract line 29c from line 28 column C (see instructions)	**30**	
31 Total tax (Schedule J, Part I, line 11)	**31**	
32 Total payments & refundable credits (Schedule J, Part II, line 21)	**32**	
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached . . . . ▶ ☐	**33**	
34 **Amount owed.** If line 32 is smaller than the total of lines 31 and 33, enter amount owed	**34**	
35 **Overpayment.** If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	**35**	
36 Enter amount from line 35 you want: Credited to 2015 estimated tax (see Part A, line 8, page 2)	**36**	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here ▶

Signature of officer   Date   Title

May the Division of Revenue and Taxation discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name   Preparer's signature   Date   Check ☐ if self-employed   PTIN

Firm's name ▶   Firm's EIN ▶

Firm's address ▶   Phone No. (   )

For Paperwork Reduction Act Notice, see separate instructions.   Form **1120CM** (2014)

Part A	Chapter 7 Tax Adjustment. Complete the entire Form 1120CM before completing this part. (See Supplemental Instructions.)

1	**Tax underpaid before rebate offset.** Enter amount from FORM OS-3405A, Line 14	1	
2	**Tax overpaid before rebate offset.** Enter amount from FORM OS-3405A, Line 13	2	( )
3	**Rebate offset amount.** Enter amount from FORM OS-3405A, Line 15	3	( )
4	**Tax due or (overpaid).** Combine lines 1, 2, and 3. If overpaid place a bracket.	4	
5	**Tax on overpayment of credit.** If line 2 above is zero, enter zero. Otherwise, enter the lesser of line 2 above or page 3, Schedule J, Part II, line 20.	5	
6	**Penalty and Interest.**		
	6a Estimated tax penalty. Check if Form 2220 is attached ☐	6a	
	6b Penalty for late filing and or payment, and interest charges	6b	
7	**Total due (or overpaid). Add lines 4 through 6b of this part.** If this line shows amount due, pay this amount. **Stop here.** If this line shows an overpayment, place a bracket around the figure and continue on lines 8 and 9	7	
8	Enter amount you want credited to your **2015 ESTIMATED TAX**	8	
9	**Net overpayment.** Add line 7 and line 8	9	

Schedule C	Dividends and Special Deductions (See instructions)		(a) Dividends Received	(b) %	(c) Special deductions (a) x (b)	
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) .	1		70		
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) .	2		80		
3	Dividends on debt-financed stock of domestic and foreign corporations	3		see instructions		
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	4		42		
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	5		48		
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	6		70		
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	7		80		
8	Dividends from wholly owned foreign subsidiaries	8		100		
9	**Total.** Add lines 1 through 8. See instructions for limitation	9				
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	10		100		
11	Dividends from affiliated group members.	11		100		
12	Dividends from certain FSCs	12		100		
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12	13				
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)	14				
15	Foreign dividend gross-up	15				
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3	16				
17	Other dividends	17				
18	Deduction for dividends paid on certain preferred stock of public utilities	18				
19	**Total dividends.** Add lines 1 through 17. Enter here and on page 1, line 4	19				
20	**Total special deductions.** Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b . . . . ▶	20				

Schedule J   Tax Computation and Payment   (see instructions)

Part I - Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) . . . . ▶ ☐				
2	Income tax. Check if a qualified personal service corporation (see instructions) . . . . ▶ ☐			**2**	
3	Alternative minimum tax (attach Form 4626)			**3**	
4	Add lines 2 and 3			**4**	
5a	Foreign tax credit (attach Form 1118)	**5a**			
b	Credit from Form 8834 (see instructions)	**5b**			
c	General business credit (attach Form 3800)	**5c**			
d	Credit for prior year minimum tax (attach Form 8827)	**5d**			
e	Bond credits from Form 8912	**5e**			
6	**Total credits.** Add lines 5a through 5e			**6**	
7	Subtract line 6 from line 4			**7**	
8	Personal holding company tax (attach Schedule PH (Form 1120))			**8**	
9a	Recapture of investment credit (attach Form 4255)	**9a**			
b	Recapture of low-income housing credit (attach Form 8611)	**9b**			
c	Interest due under the look-back method—completed long-term contracts (attach Form 8697)	**9c**			
d	Interest due under the look-back method—income forecast method (attach Form 8866)	**9d**			
e	Alternative tax on qualifying shipping activities (attach Form 8902)	**9e**			
f	Other (see instructions—attach statement)	**9f**			
10	**Total**. Add lines 9a through 9f			**10**	
11	**Total tax**. Add lines 7, 8, and 10. Enter here and on page 1, line 31			**11**	

Part II - Payments and Refundable Credits

12	2013 overpayment credited to 2014			**12**	
13	2014 estimated tax payments			**13**	
14	2014 refund applied for on Form 4466			**14**	( )
15	Combine lines 12, 13, and 14			**15**	
16	Tax deposited with Form 7004			**16**	
17	Withholding (see instructions)			**17**	
18	**Total payments.** Add lines 15, 16, and 17			**18**	
19	Refundable credits from:				
a	Form 2439	**19a**			
b	Form 4136	**19b**			
c	Form 8827, line 8c	**19c**			
d	Other (attach statement - see instructions)	**19d**			
20	**Total credits**. Add lines 19a through 19d			**20**	
21	**Total payments and credits**. Add lines 18 and 20. Enter here and on page 1, line 32 . . . . ▶			**21**	

Schedule K   Other information (see instructions)

		YES	NO
1	Check accounting method: **a** ☐ Cash **b** ☐ Accrual **c** ☐ Other (specify) _____		
2	See the instructions and enter the:		
a	Business activity code no. _____		
b	Business activity _____		
c	Product or service _____		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?		
	If "Yes," enter name and EIN of the parent corporation _____ _____		
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedue G (Form 1120) (attach Schedule G)		

Schedule K	Other Information *continued* (see instructions)

5 At the end of the tax year, did the corporation:

				YES	**NO**

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on **Form 851,** Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) . . . .
If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of **(a)** the total voting power of all classes of the corporation's stock entitled to vote or **(b)** the total value of all classes of the corporation's stock? . . . .

For rules of attribution, see section 318. If "Yes," enter:
(i) Percentage owned ▶ _____ and **(ii)** Owner's country ▶ _____

(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . . ▶ ☐
If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $ _____

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here . . . . . ▶ ☐
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ $ _____

13 Are the corporation's total receipts (page 1, line 1a, plus 4 through 10) for the tax year and its total assets at the end of the tax year less than $250,000? . . . .
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year ▶ $ _____

14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? . . . . .
If "Yes," complete and attach Schedule UTP.

15a Did the corporation make any payments in 2014 that would require it to file Form(s) 1099? . . . .

b If "Yes," did or will the corporation file required Forms 1099? . . . .

16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock? . . . .

17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction? . . . .

18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than $1 million? . . . .

Schedule L	Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets			**(a)**	**(b)**	**(c)**	**(d)**
1 Cash		**1**				
2a Trade notes and accounts receivable		**2a**				
b Less allowance for bad debts		**b**	( )		( )	
3 Inventories		**3**				
4 U.S. government obligations		**4**				
5 Tax-exempt securities (see instructions)		**5**				
6 Other current assets (attach statement)		**6**				
7 Loans to shareholders		**7**				
8 Mortgage and real estate loans		**8**				
9 Other investments (attach statement)		**9**				
10a Buildings and other depreciable assets		**10a**				
b Less accumulated depreciation		**b**	( )		( )	
11a Depletable assets		**11a**				
b Less accumulated depletion		**b**	( )		( )	
12 Land (net of any amortization)		**12**				
13a Intangible assets (amortizable only)		**13a**				
b Less accumulated amortization		**b**	( )		( )	
14 Other assets (attach statement)		**14**				
15 Total assets		**15**				
Liabilities and Shareholders' Equity						
16 Accounts payable		**16**				
17 Mortgages, notes, bonds payable in less than 1 year . .		**17**				
18 Other current liabilities (attach statement)		**18**				
19 Loans from shareholders		**19**				
20 Mortgages, notes, bonds payable in 1 year or more . .		**20**				
21 Other liabilities (attach statement)		**21**				
22 Capital stock: **a** Preferred stock		**22a**				
b Common stock		**22b**				
23 Additional paid-in capital		**23**				
24 Retained earnings - Appropriated (attach statement). . .		**24**				
25 Retained earnings - Unappropriated		**25**				
26 Adjustments to shareholders' equity (attach statement) .		**26**				
27 Less cost of treasury stock		**27**	( )		( )	
28 Total liabilities and shareholders' equity		**28**				

Schedule M-1	Reconciliation of Income (Loss) per Books With Income per Return
	Note: The corporation may be required to file Schedule M-3 (see instructions).

1 Net income (loss) per books	**1**		**7** Income recorded on books this year not included on this return (itemize): Tax-exempt interest $ _ _ _ _ _ _ _ _ _ _		**7**	
2 NMTIT per books	**2**					
3 Excess of capital losses over capital gains . .	**3**					
4 Income subject to tax not recorded on books this year (itemize): _	**4**		**8** Deductions on this return not charged against book income this year (itemize): **a** Depreciation . . . . $ _ _ _ _ _ _ _ **b** Charitable contributions $ _			
5 Expenses recorded on books this year not deducted on this return (itemize): **a** Depreciation . . . . $ _ _ _ _ _ _ _ _ _ _ **b** Charitable contributions $ _ _ _ _ _ _ _ _ _ _ **c** Travel and entertainment $ _	**5**				**8**	
			9 Add lines 7 and 8		**9**	
6 Add lines 1 through 5	**6**		**10** Income (page 1, line 28) - line 6 less line 9 .		**10**	

Schedule M-2	Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	**1**		**5** Distributions: **a** Cash		**5a**	
2 Net income (loss) per books	**2**		**b** Stock		**5b**	
3 Other increases (itemize): _			**c** Property		**5c**	
			6 Other decreases (itemize): _ _ _ _ _ _ _ _ _ _		**6**	
	3		**7** Add lines 5 and 6		**7**	
4 Add lines 1, 2, and 3	**4**		**8** Balance at end of year (line 4 less line 7) .		**8**	

DIVISION OF REVENUE AND TAXATION
Department of Finance
Commonwealth of the Northern Mariana Islands
APPLICATION FOR REBATE ON CNMI SOURCE INCOME TAX

Form OS-3405A **FOR USE WITH FORM 1120CM** (See instructions on reverse side) **2014**

For official use only

Corporate Name		TIN
Mailing Address	Telephone number ( )	Contact person

PART A - NON-REFUNDABLE CREDITS

1 Business gross revenue tax

	Name	Tax ID No.		
a)			a)	
b)			b)	
c)			c)	

2 User fees paid **2**

3 Fees and taxes imposed under 4CMC §2202(h) (see instructions) **3**

4 Total non-refundable credits (add lines 1 through 3) **4**

PART B - REBATE COMPUTATION

5 Allocable percentage: **a** Tax without the CNMI **5a** _____ %

b Tax within the CNMI **5b** _____ %

6 Total NMTIT on all sources **6**

7 Total NMTIT payments made **7**

8 Tax on sources without the CNMI (multiply line 6 by the percentage on line 5a) **8**

9 Tax on sources within the CNMI (multiply line 6 by the percentage on line 5b) · · · **9**

10 Total non-refundable credits (enter amount from PART A, line 4 above) . . .**10**

11 Rebate offset base CNMI source tax (subtract line 10 from line 9. If zero or less, enter -0-) **11**

12 Total CNMI and Non-CNMI source tax after non-refundable credits (add lines 8 and 11) **12**

13 NMTIT overpayment. If line 7 is greater than line 12, subtract line 12 from line 7. Otherwise enter -0- . . **13**

14 NMTIT underpayment. If line 12 is greater than line 7, subtract line 7 from line 12. Otherwise enter -0- . . **14**

15 Rebate offset amount (enter here and on Form 1120CM, page 2, Part A, line 3.) **15**

SIGN HERE

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer   Date   Title

PAID PREPARER USE ONLY

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

*If received after the due date, show post mark.

Form **OS-3405A** 2014

2014 OS-3405A INSTRUCTIONS for 1120CM

General

▶ Name and address. Fill in name and address.
▶ TIN. Enter taxpayer identification number.

PART A. NON-REFUNDABLE CREDITS

1. Enter the amount of business gross revenue tax paid or accrued during the taxable year under 4CMC Chapter 3. For partners and/or shareholders of a sub-chapter S corporation, your share of BGRT should be in accordance with the percentage of profit or losses, or the equity, whichever is applicable. If you have more than one business name, list each one separately with its respective TIN and amount of BGRT. This is the tax imposed under 4CMC §1301.
2. Enter the amount of user fees paid during the taxable year under 4CMC §1421.
3. Enter the amount of fees and taxes paid or accrued during the taxable year under 4CMC §2202(h), in lieu of the tax imposed under 4CMC §1301.
4. Add lines 1 through 3.

PART B. REBATE COMPUTATION

5a. Enter the percentage (allocable ratio) of tax without the CNMI. This should be the percentage shown on Form 1120CM, page 1, line 28a, column A.
5b. Enter the percentage (allocable ratio) of tax within the CNMI. This should be the percentage shown on Form 1120CM, page 1, line 28a, column B.
6. Enter the tax from Form 1120CM, line 31.
7. Enter the total payments made for the taxable year from Form 1120CM, line 32.
8. Multiply the amount on line 6 by the percentage of tax without the CNMI as shown on line 5a.
9. Multiply the amount on line 6 by the percentage of tax within the CNMI as shown on line 5b.
10. Enter the total non-refundable credits from line 4, part A.
11. Rebate offset base. Subtract line 10 from line 9. If zero or less, enter zero.
12. Add lines 8 and 11.
13. If line 7 is greater than line 12, subtract line 12 from line 7. Otherwise enter zero.
14. If line 12 is greater than line 7, subtract line 7 from line 12. Otherwise enter zero.
15. Compute the rebate offset amount on line 11 as shown on the rebate table below. Enter this amount on Form 1120CM, page 2, Part A, line 3 (chapter 7 tax adjustment).

REBATE TABLE

IF REBATE OFFSET BASE (line 11) IS:	THE REBATE OFFSET AMOUNT IS:	EXAMPLE:
Not over $20,000	90% of the rebate offset base	Rebate offset base x 90%
$20,000-$100,000	$18,000 plus 70% of the rebate offset base over $20,000	Rebate offset base - 20,000 x 70% + 18,000
Over $100,000	$74,000 plus 50% of the rebate offset base over $100,000	Rebate offset base - 100,000 x 50% + 74,000

If filing by mail, please send to: **DIVISION OF REVENUE AND TAXATION**
POST OFFICE BOX 5234 CHRB
SAIPAN, MP 96950

INCOME

Lines 1 through 10

Allocate the income being reported on these lines between income from without and within the Commonwealth based on their sources. Enter figures in the appropriate column.

Line 11

Total the income entered on lines 1 through 10 for each column and enter the total in their respective columns.

DEDUCTIONS

Lines 12 through 26

Allocate the deductions being reported based on the source of the income they are attributable to. Enter the figures in the appropriate column.

Line 27

Total the deductions entered on lines 12 through 26 for each column and enter the total in their respective columns.

Line 28

Subtract line 27 from line 11 for columns A, B, and C.

Line 28a

Make a percentage allocation of the taxable income from each source in proportion to the total taxable income by dividing the taxable income on line 28, columns A and B, respectively by the total taxable income from line 28, column C.

Example: Percentage Allocation for line 28a, column A

Line 28, column A percentage allocation = line 28a, column A divided by Line 28, column C

Percentage Allocation for line 28a, column B

Line 28, column B percentage allocation = line 28a, column B divided by Line 28, column C

Caution: If the percentage allocation is less than zero, enter zero. If more than 100%, enter only 100%.

TAX AND PAYMENTS

Line 30

Subtract line 29c from line 28, column C.

Line 36

Leave this line blank. The amount of overpayment available for estimated tax may be more as a result of tax rebate. Make your estimated tax carry over election on line 8, Part A.

INSTRUCTIONS FOR PART A, PAGE 2 of Form 1120-CM

To fill in part A, you must first complete Form OS-3405A, Part A, provides adjustments for the non-refundable credit and tax rebate that may be available. Follow the instructions for every line item. If line 7 is an amount due, please pay that amount and make your check payable to: **"CNMI TREASURER"**.

Caution: Make sure that the figures in brackets "( )" are added correctly as negative figures.

Attach Form OS-3405A to the return when filing.

PART A CHAPTER 7 TAX ADJUSTMENT

1. Enter amount from line 14 of Form OS-3405A.

2. Enter amount from line 13 of Form OS-3405A. Note: Figure is in brackets.

3. Enter the amount from line 15 of Form OS-3405A. Note: Figure is in brackets.

4. Enter the sum of lines 1 through 3 above. Note that lines 2 and 3 are negative numbers. If the result is a negative number, enclose the results in brackets.

5. Enter the lesser of line 2 above or line 20 of Schedule J, Part II (page 3) – ignore brackets.

6a. Enter the estimated tax penalty. Make sure to check if Form 2220 is attached.

6b. Enter the total amount of late charges for failure to file on time, failure to pay on time, and interest.

7. Total due (or overpaid). Add lines 1 through 6b of this part. If this line shows amount due, pay this amount. If this line shows overpayment, place a bracket around the figure.

8. If line 7 is an overpayment, enter amount you want credited to **2015 ESTIMATED TAX.** This line supersedes line 36, page 1 of the return.

9. **Net overpayment**. Add line 7 and line 8.