



DIVISION OF REVENUE AND TAXATION

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
Post Office Box 5234 CHR, Saipan, MP 96950



2011 Supplemental Instructions for Forms W-2CM and OS-3710

These instructions are intended for employers to use in conjunction with the Internal Revenue Service instructions for 2011 Forms W-2 and W-3.

General Information – Form W-2CM is a five (5) part form which provides the employee with Wage and related information necessary for the preparation of an annual tax return for the Wages and Salary Tax, NMI Territorial Income Tax (NMTIT), or the Federal Income Tax, if required. Copies of this form are required to be filed with the CNMI Division of Revenue and Taxation and the U.S. Social Security Administration (SSA).

- Copy 1 shall be attached to Form OS-3710, Annual Reconciliation of Taxes Withheld, and filed with the CNMI Division of Revenue and Taxation no later than February 29, 2012.
- Copy A is for the SSA and shall be attached to Form W-3SS which shall be filed with SSA no later than February 29, 2012.
- Copies 2 and B shall be provided to the employee no later than January 31, 2012.

Important – All required information in Form W-2CM constitutes the completeness and accuracy of the form being submitted, including the correct social security number of the employee, Citizenship code (item C), NAICS (item D), and SOC (item E). Penalties will be enforced for incomplete and/or incorrect information and for failure to file a Form W-2CM by the due date when you cannot show reasonable cause. The penalty applies if you:

- Fail to file timely,
- Fail to include all information required to be shown on Form W-2CM,
- Include incorrect information on Form W-2CM,
- Fail to file electronically when required,
- Report an incorrect TIN, or
- Fail to report a TIN.

The penalty is:

- \$100 per Form W-2CM if you file after the due date.
- \$30 per Form W-2CM if you file in a timely manner and have corrected all errors within 30 days after the due date; maximum penalty is \$250,000 per year (\$75,000 for small businesses).
- \$60 per Form W-2CM if you file in a timely manner and have corrected all errors by August 1; maximum penalty is \$500,000 (\$200,000 for small businesses).
- \$100 per Form W-2CM if you file after August 1st, or you do not file the required Forms W-2CM; maximum penalty is \$1,500,000 (\$500,000 for small businesses).

**Form W-2CM Instructions and
Reference to IRS 2011 Instructions for Form W-2 and W-3
Please See Instructions**

Box No.	Form W-2CM Box Entry	Division of Revenue and Taxation Additional Instructions	IRS Instr. Page Ref
	Void		Page 7
a	Employee's Social Security number		Page 7
b	Federal Employer I.D. number (EIN)		Page 8
c	Employer's name, address, and Zip code		Page 8
d	Individual W-2CM Form Serial number (Control Number)	Enter as a numeric value. Start the first Form W-2CM with 00001 and continue numbering each succeeding form sequentially.	Page 8
e	Employee's name		Page 8
f	Employee's address and Zip code		Page 8
1	Wages, tips, other compensation		Page 8
2	Income tax (NMTIT) withheld		Page 8
3	Social security wages		Page 8
4	Social security tax withheld		Page 9
5	Medicare wages and tips		Page 9
6	Medicare tax withheld		Page 9
7	Social security tips		Page 9
8	Allocated tips		Page 9
9	Advance EIC payment	Do not enter an amount in this box.	Page 9
10	Dependent care benefits		Page 9
11	Nonqualified plans	Enter 457 (b) distributions to an employee.	Page 9
12a	Enter code and amount		Pages 9-11
12b	Enter code and amount		Pages 9-11
12c	Enter code and amount		Pages 9-11
12d	Enter code and amount		Pages 9-11
13	Statutory employee, Retirement plan, Third-party sick pay		Page 11
14a	Other		Page 11
14b	Codes for income in box 14a	Enter ("I") if all income in box 14a is included in Box 1 or ("NI") if not all income is included in Box 1.g.	Page 11
15	CNMI Tax I.D. number	Enter the tax I.D. number issued by the CNMI Division of Revenue and Taxation.	
16	CNMI wages and salary	Enter all money and value of other consideration received by an employee for services performed by an employee in the Commonwealth. 4 CMC §1103 (dd). This classification includes all income reported in boxes 1, 12a-d & 14 unless specifically exempted under 4 CMC §1103 (dd) (1)-(7). For example, housing allowance is excludable from wages. A cost of living allowance (COLA) paid to the employee is considered wages to the employee and must also be included in the total wages shown in this box.	

17	Local wage and salary tax withheld (Chapter 2)	Enter the wage and salary (Chapter 2) tax withheld from the employee's wages.	
A	Location code	Employee work location code: (Saipan – Code 20), (Rota – Code 21), (Tinian – Code 22), and Northern Isl. – Code 23).	
B	Days outside of the CNMI	Enter the number of days the employee worked for you outside of the CNMI.	
C	Citizenship code	Enter the citizenship code of the employee. Refer to the 2011 Publication IOC-CM to determine the citizenship code.	
D	NAICS - industry code	Enter the industry code of your business. You can find this code by going to the website www.census.gov/eos/www/naics .	
E	SOC – occupation code	Enter the occupation code of the employee. You can find this code by going to the website www.online.onetcenter.org/find/ .	

Instructions for Preparing Form OS-3710

Form OS-3710 is a single part form which must be completed and filed annually with Revenue and Tax along with copy 1 of the 2011 Form W-2CM issued to all employees. Regardless of whether you filed your W-2CM magnetically or not, you MUST submit Form OS-3710 and W-2CM paper documents. Prepare one Form OS-3710 for each employer which is required to file Form W-2CM as follows:

- A. Name of Employer - Enter the legal name of your sole proprietorship, partnership, or corporation.
- B. Enter the current and complete mailing address where mail can be received.
- C. Enter your Federal Employer Identification Number (FEIN) issued by the U.S. IRS.
- D. Enter the CNMI Tax Identification Number issued by the CNMI Department of Finance, Division of Revenue and Taxation.
- E. Enter the name of the person designated to answer any questions we may have on your filing.
- F. Enter the phone number to contact the person designated in item "E".

1A. Enter the total amount of Wage and Salary (Chapter 2) tax withheld for each quarter of the taxable year as shown in this column, lines a through d.

1B. Enter the total amount of NMTIT (Chapter 7) tax withheld for each quarter of the taxable year as shown in this column, lines a through d.

1C. Enter the total of the Wage and Salary Tax (Chapter 2) and the NMITI Tax (Chapter 7) withheld in each quarter (1A plus 1B) as shown in this column, lines a through d.

1D. Enter the total amount of withholding taxes (Chapter 2 and Chapter 7) paid in each quarter as shown in this column, lines a through d. **Important – These figures are amounts paid on chapter 2 and chapter 7 taxes. Do not include amounts paid for penalty and or interest. Please review your payment documents (receipt, etc.) to insure the correctness of these figures.**

1E. Enter the total amount of wages/salaries paid to your employees in each quarter as shown in this column, lines a through d.

1e. For each column, total the amounts entered in lines a through d.

2a. Enter the total Chapter 2 and Chapter 7 taxes withheld, and Wages and Salaries representing the amount reported in each Form W-2CM for columns 1A, 1B. Add the amount in columns 1A and 1B (this line) and enter under column 1C. Enter the total wages and salaries from each form W-2CM submitted with this form.

2b. Subtract line 2a from line 1e under each column. **Important – any discrepancy (difference) on this line will cause delay in the processing of your employees' form W-2CM which will ultimately affect the processing of their annual income tax filing. Additionally, if there is a positive difference in column 1D, it indicates that the withholding taxes on one or more of your employees have not been fully paid. In such case, please review your quarterly filings and withholding payments to correct the discrepancy. Withholding taxes from employees' pay constitutes the employees payment of his/her taxes to the government and are therefore "trust fund" monies which shall be remitted to Revenue and Taxation on a quarterly or other regular basis.**

3. Enter the total number of forms W-2CM being submitted with this filing. Verify this number with the actual count on the number of forms.

IMPORTANT: If you have 250 or more Forms W-2CM to file, you are required to file these forms on magnetic media. Please refer to publication "Magnetic Filing Instructions" (<http://www.cnmidof.net/rev/forms/inst/magfil.pdf>) for instructions on filing on magnetic media. A penalty will be imposed if you do not comply with this requirement. Employers with fewer than 250 Forms W-2CM are encouraged to file magnetically, even if they are not otherwise required to do so. For CNMI filing purposes, paper documents are also required, even if you are filing on magnetic media.