

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040.

Name(s) shown on Form 1040

Your social security number

Part I Income From Guam or the CNMI Reported on Form 1040

	Guam	CNMI
1 Wages, salaries, tips, etc.	1	
2 Taxable interest	2	
3 Ordinary dividends	3	
4 Taxable refunds, credits, or offsets of local Guam or CNMI income taxes	4	
5 Alimony received	5	
6 Business income or (loss)	6	
7 Capital gain or (loss)	7	
8 Other gains or (losses)	8	
9 IRA distributions (taxable amount)	9	
10 Pensions and annuities (taxable amount)	10	
11 Rental real estate, royalties, partnerships, S corporations, trusts, etc.	11	
12 Farm income or (loss)	12	
13 Unemployment compensation	13	
14 Social security benefits (taxable amount)	14	
15 Other income. List type and amount ▶	15	
16 Total income. Add lines 1 through 15 ▶	16	

Part II Adjusted Gross Income From Guam or the CNMI Reported on Form 1040

17 Educator expenses	17	
18 Certain business expenses of reservists, performing artists, and fee-basis government officials	18	
19 Health savings account deduction	19	
20 Moving expenses	20	
21 One-half of self-employment tax	21	
22 Self-employed SEP, SIMPLE, and qualified plans	22	
23 Self-employed health insurance deduction	23	
24 Penalty on early withdrawal of savings	24	
25 IRA deduction	25	
26 Student loan interest deduction	26	
27 Tuition and fees deduction	27	
28 Add lines 17 through 27	28	
29 Adjusted gross income. Subtract line 28 from line 16 ▶	29	

Part III Payments of Income Tax to Guam or the CNMI

30 Payments on estimated tax return filed with Guam or the CNMI	30	
31 Income tax withheld from your wages while employed by the U.S. Government as a civilian in Guam or the CNMI	31	
32 Income tax withheld from your wages while employed as a member of the U.S. Armed Forces in Guam or the CNMI	32	
33 Income tax withheld from your wages earned in Guam or the CNMI other than amounts on lines 30 through 32	33	
34 Total payments. Add lines 30 through 33 ▶	34	

Section references are to the Internal Revenue Code unless otherwise noted.

Instructions

Reminders

• For tax years ending after January 31, 2006 (or beginning with tax year 2006 if a calendar year taxpayer), changes have been made to the rules for determining if you are a bona fide resident of Guam or the Commonwealth of the Northern Mariana Islands

(CNMI). See chapter 1 of Pub. 570, Tax Guide for Individuals With Income From U.S. Possessions, for more information.

• If, in tax year 2001 or later, you became or ceased to be a bona fide resident of a U.S. possession, you may be required to file Form 8898, Statement for Individuals Who Begin or End Bona Fide Residence in a U.S. Possession. The penalty for failure to provide the required information is \$1,000. For details, see the Instructions for Form 8898.

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Purpose of form. Form 5074 provides information to the United States so the IRS can figure the individual income tax that is due to Guam or the CNMI.

Who must file. If you were a U.S. citizen or resident alien (other than a bona fide resident of Guam or the CNMI), you may need to file Form 5074. Complete this form if all of the following apply to you (and to your spouse if filing a joint return).

- You file a U.S. income tax return.
- You report AGI of \$50,000 or more.
- At least \$5,000 of the gross income on your return is from either Guam or CNMI sources.



*Do not use this form if you were a bona fide resident of Guam or the CNMI during the **entire** tax year.*

Joint returns. If you file jointly and only one spouse is a bona fide resident of Guam or the CNMI for the entire tax year, the resident status for both spouses and subsequent tax treatment is determined by the spouse with the higher adjusted gross income (AGI) (disregarding community property laws). File Form 5074 only if the spouse with the higher AGI is not a bona fide resident of Guam or the CNMI for the entire tax year.

Where to file. File your Form 1040 (including Form 5074) with the Department of the Treasury, Internal Revenue Service Center, Austin, TX 73301-0215.

Additional information. Pub. 570 has more information and an example of how to complete Form 5074. To get Pub. 570, see *Quick and Easy Access to Tax Help and Tax Products* in the instructions for Form 1040.

Part I—Income From Guam or the CNMI Reported on Form 1040

Source of income. The rules for determining the source of income are explained in sections 861 through 865, section 937, in Temporary Regulations section 1.937-2T, and in Pub. 570. Some general rules are:

- The source of wages, salaries, or tips is generally where the services are performed. If you worked both in and outside Guam or the CNMI, include on line 1 only wages, salaries, or tips earned while you were in Guam or the CNMI.
- The source of interest income is generally where the payer is located. For example, Guam or CNMI source income includes interest from a certificate of deposit issued by a bank or branch of a U.S. bank in Guam or the CNMI.
- Generally, dividends are sourced where the paying corporation is created or organized.
- Taxable refunds, credits, or offsets of local Guam or CNMI income taxes only include nonmirror code income taxes.
- Alimony received from a person who is a bona fide resident of Guam or the CNMI is sourced in that specific possession.
- Except as provided in regulations, income earned after December 31, 2004, that is from sources within the United States or effectively connected with the conduct of a trade or business in the United States is not income from Guam or the CNMI.

Personal property. The source of income from the sale of nondepreciable personal property is generally the seller's tax home. Income from the sale of inventory is generally sourced where the title to the property passes. See section 865 for details.



Special rules may apply to bona fide residents of U.S. possessions who have gain from dispositions of certain investment property within the 10-year period beginning when they became a bona fide resident. For details, see chapter 2 of Pub. 570, Temporary Regulations section 1.937-2T(f)(1), and Example 2 of section 1.937-2T(k).

Part II—Adjusted Gross Income From Guam or the CNMI Reported on Form 1040

Lines 21 through 23. If you had Guam or CNMI source self-employment income, figure the amount to enter on each line by (1) dividing your Guam or CNMI source self-employment income by your total (worldwide) self-employment income, and (2) multiplying the total amount of each deduction that applies to you by the result in (1).

Line 24. Enter the amount of penalty on early withdrawals from savings accounts in banks or branches of U.S. banks located in Guam or the CNMI. The Form 1099-INT or Form 1099-OID you received will show the amount of any penalty you were charged.

Line 25. Enter the total of your and your spouse's IRA deductions attributable to Guam or CNMI compensation or earned income. Figure the amount to report on line 25 by (1) dividing your Guam or CNMI compensation or earned income by your total (worldwide) compensation or earned income, and (2) multiplying the amount of your IRA deduction by the result in (1). Figure the amount of your spouse's IRA deduction the same way.

Line 28. Include in the total on line 28 the amount of any other deductions included on Form 1040, line 36, that are attributable to your Guam or CNMI income. On the dotted line next to line 28, enter the amount of each deduction attributable to your Guam or CNMI income and identify it as you did on Form 1040, line 36. If you or your spouse had an Archer MSA deduction on Form 1040, line 36, figure the amount to report on line 28 the same way you would an IRA deduction (see *Line 25*, above).

Penalty for Failure To Furnish Information

If you fail to provide the required information, you may have to pay a \$1,000 penalty for each failure unless you can show the failure was due to reasonable cause and not willful neglect. This penalty is in addition to any criminal penalty provided by law.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.