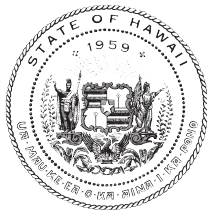


# 2009 N-15



# 2009 N-15 Forms and Instructions

STATE OF HAWAII — DEPARTMENT OF TAXATION

## Hawaii Nonresident and Part-Year Resident Income Tax Forms and Instructions

**THIS PACKAGE CONTAINS:** Form N-15 Hawaii Individual Income Tax Return - Nonresident and Part-Year Resident; **Schedule CR** Schedule of Tax Credits; **Schedule X** Tax Credits for Hawaii Residents; **Form N-101A** Application for Automatic Extension of Time To File Hawaii Individual Income Tax Return; **Form N-200V** Individual Income Tax Payment Voucher; and **Hawaii Taxpayer Bill of Rights**

Hawaii



**CLICK. ZIP. FAST ROUND TRIP!**

### E-file Form N-15!

For more information, visit our website at [www.hawaii.gov/tax](http://www.hawaii.gov/tax)

**DIRECT DEPOSIT**

*Simple. Safe. Secure.*

For more information, see page 32 of the Instructions.

### DUE DATE: APRIL 20, 2010

For tax information, call 808-587-4242 (or toll-free 1-800-222-3229)

Make your check payable to the "Hawaii State Tax Collector"

### MESSAGE FROM THE DIRECTOR

*OUR MISSION is to administer the tax laws of the State of Hawaii in a consistent, uniform, and fair manner.*

The employees of the Department of Taxation strive to accomplish this mission each and every day. We welcome input from the public and we are committed to continuous review and improvement of our services.

You, too, can help us be more efficient just by filing your tax returns correctly and on time with the correct amount of payment. That is harder than it sounds, of course, but simple things like checking all entries before submitting your return, and filing it on or before April 20, 2010, make a big difference. Start early; the earlier you start, the more time you'll have to obtain missing documents, and the less likely you'll be to make an error. Refunds are also processed faster if you file early instead of filing close to the due date. Keep a copy of your return, worksheets, and supporting documents; if a question should arise it will help you understand and resolve the problem with us if you have your tax return information in front of you. A copy also will help you to prepare your return next year.

Publications, forms (including forms with writable fields), and instructions are available on our website at [www.hawaii.gov/tax](http://www.hawaii.gov/tax). You can also obtain copies at any district tax office, or by calling 808-587-4242 or toll-free from the neighbor islands and continental U.S. at 1-800-222-3229.

Finally, we continue to welcome your written suggestions for improving our forms, instructions, and services. Please mail your suggestions to the Department of Taxation, P.O. Box 259, Honolulu, HI 96809-0259, or e-mail them to [Tax.Directors.Office@hawaii.gov](mailto:Tax.Directors.Office@hawaii.gov).

A handwritten signature in black ink, appearing to read "Kurt Kawafuchi".

KURT KAWAFUCHI  
Director of Taxation

State of Hawaii  
Department of Taxation  
P.O. Box 3559  
Honolulu, Hawaii 96811-3559

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# Changes for 2009

- For taxable years beginning after December 31, 2008, the income tax for the highest income bracket is increased. (Act 60, SLH 2009)
- Provides a \$1 general income tax credit for 2009. (Act 84, SLH 2009)
- Adopts the federal provision that amends the definition of a qualifying child for taxable years beginning after December 31, 2008. (Act 133, SLH 2009)
- Adopts the federal provision that extends the educator expense deduction through 2009. (Act 133, SLH 2009)
- Adopts the federal provision that extends the election to deduct state and local general sales taxes through 2009. (Act 133, SLH 2009)
- Adopts the federal provision that extends the exclusion of debt discharge income from home mortgages through 2012. (Act 133, SLH 2009)
- Adopts the federal provision that gain allocated to periods of nonqualified use will not be excluded from income for sales or exchanges of a principal residence after December 31, 2008. (Act 133, SLH 2009)
- Makes several amendments to the renewable energy technologies income tax credit including a provision that a taxpayer may elect to treat the tax credit as refundable. (Act 154, SLH 2009)
- For taxable years beginning after December 31, 2008, the deduction of wagering losses is repealed for purposes of the Hawaii state income tax. (Act 165, SLH 2009)
- Limits the amount of tax credit available for the high technology business investment tax credit and the technology infrastructure renovation tax credit for investments made and renovation costs incurred on or after May 1, 2009, and reduces the rate of the capital goods excise tax credit to 0% for property that was placed in service on or after May 1, 2009. (Act 178, SLH 2009)
- Imposes the state income tax on rollovers made by state or county employees from certain qualified annuity plans and qualified deferred compensation plans to the state employee retirement system for purposes of purchasing retirement credits. (Act 181, SLH 2009)
- For taxable years beginning after December 31, 2008, conforms to the federal phase-out provision for personal exemptions. Adjusts the income level at which the phase out begins by utilizing the federal inflation-adjusted amounts as of July 1, 2008 and by further reducing those amounts by 25%. (Act 14, SSLH 2009)
- The amount of the military reserve or Hawaii national guard duty pay exclusion is increased to \$5,609 for taxable years beginning after December 31, 2008. (Act 197, SLH 2004)

## Important Reminders for 2009

- If you are unable to file by April 20, 2010, you are granted an automatic 6-month extension of time to file Form N-11, Form N-13, and Form N-15 without filing Form N-101A (or any other form) unless an additional tax payment must be made. The extension of time to file is NOT an extension of time for payment of tax. You must file Form N-101A if you are making a payment. You may **not** use federal Form 4868 instead of Form N-101A.
- Please complete all required entries on your tax return and make sure all required forms and statements are attached. Failure to do so may result in a notice of adjustment being sent to you and you may be required to file an amended tax return to correct missing entries or provide missing forms or statements.
- The following lines **MUST** be filled in: Form N-11, line 23; Form N-13, line 13; and Form N-15, line 41. Failure to do so could cause delays in processing your return.
- Please be sure to check the appropriate filing status box.
- Please check all arithmetic on the return. A correct return will help us process your return efficiently and issue refunds quickly.
- If you are married and filing separate returns, the refund from your spouse's return cannot be applied to your liability.
- Include your spouse's social security number if you are married whether a joint or separate return is filed. If your spouse is an alien and was issued an ITIN by the IRS, enter your spouse's ITIN. If your spouse has applied for an ITIN but the IRS has not yet issued the ITIN, write "Applied For".
- Attach your employee earning statements (HW-2's or federal W-2's) to the front of your return.
- If someone prepares your tax return and charges you a fee, the preparer must sign and complete the Paid Preparer's Information box.
- Please file your return on or before April 20, 2010. Mail your return to the appropriate mailing address as stated on page 6.
- Enclose only one return per envelope.
- Please place proper postage on the envelope before mailing. If there is insufficient postage on the envelope, it will be returned to you by the U.S. Postal Service.
- Keep a copy of your return for your records.

## Items To Note

- The *Hawaii Taxpayer Bill of Rights* is reprinted inside the back cover.
- The Department of Taxation is a proud partner with the Missing Child Center - Hawaii, Department of the Attorney General (MCCH). Photographs of missing children selected by the Center may appear in this instruction booklet on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling MCCH at 1-808-586-1449 if you recognize a child.
- Federal income tax law changes enacted during the 2009 calendar year have not been adopted for Hawaii income tax purposes at the present time. A conformity bill will be introduced to the 2010 Hawaii Legislature which may adopt certain of the provisions. You cannot claim any of the federal provisions on your Hawaii income tax return until it has been enacted by the State of Hawaii.

# STATE OF HAWAII — DEPARTMENT OF TAXATION

## RELATED FEDERAL/HAWAII TAX FORMS

Federal Form Number	Title or Description of Federal Form	Comparable Hawaii Form	Copy of Fed. Form May Be Submitted+
W-2	Wage and Tax Statement	HW-2	Yes
W-4	Employee's Withholding Allowance Certificate	HW-4	No
W-10	Dependent Care Provider's Identification and Certification	HW-16	No
1040	U.S. Individual Income Tax Return	None	No
1040 Sch A	Itemized Deductions	None	No
Sch B	Interest and Ordinary Dividends	None	No
Sch C	Profit or Loss from Business	None	Not Required
Sch C-EZ	Net Profit From Business	None	Not Required
Sch D	Capital Gains and Losses	None	No
Sch E	Supplemental Income and Loss	None	Not Required
Sch F	Profit or Loss From Farming	None	Not Required
Sch J	Income Averaging for Farmers and Fishermen	Form N-168	No
Sch R	Credit for the Elderly or the Disabled	None	No
1040A	U.S. Individual Income Tax Return (short form)	N-13	No
1040ES	Estimated Tax for Individuals	N-1	No
1040EZ	Income Tax Return for Single and Joint Filers With No Dependents	None	No
1040NR	U.S. Nonresident Alien Income Tax Return	None	No
1040-V	Payment Voucher	N-200V	No
1040X	Amended U.S. Individual Income Tax Return	None	No
1045	Application for Tentative Refund	N-109	No
1128	Application To Adopt, Change, or Retain a Tax Year	None	Yes
1310	Statement of Person Claiming Refund Due a Deceased Taxpayer	N-110	No
2106	Employee Business Expenses	None	Yes
2106-EZ	Unreimbursed Employee Business Expenses	None	Yes
2120	Multiple Support Declaration	None	Yes
2210	Underpayment of Estimated Tax by Individuals, Estates, and Trusts	N-210	No
2441	Child and Dependent Care Expenses	Sch X	No
2848	Power of Attorney and Declaration of Representative	N-848	Yes
3903	Moving Expenses	N-139	No
4562	Depreciation and Amortization	None	Yes
4684	Casualties and Thefts	None	Yes
4797	Sales of Business Property	Sch D-1	No
4835	Farm Rental Income and Expenses	None	Yes
4852	Substitute for Form W-2, Wage and Tax Statement, or Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	L-15	No
4868	Application for Automatic Extension of Time to File U.S. Individual Income Tax Return	N-101A	No
4952	Investment Interest Expense Deduction	N-158	No
4970	Tax on Accumulation Distribution of Trusts	N-405	No
4972	Tax on Lump-Sum Distributions	N-152	No
5213	Election to Postpone Determination as to Whether the Presumption Applies That an Activity is Engaged in for Profit	None	Yes
5329	Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts	None	No
5884	Work Opportunity Credit	N-884	No
6198	At-Risk Limitations	None	Yes
6252	Installment Sale Income	None	Yes
6781	Gains and Losses From Section 1256 Contracts and Straddles	None	Yes
8283	Noncash Charitable Contributions	None	Yes
8332	Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent	None	Yes
8582	Passive Activity Loss Limitations	None	Yes
8586	Low-Income Housing Credit	N-586	No
8615	Tax for Certain Children Who Have Investment Income of More Than \$1,900	N-615	No
8814	Parents' Election to Report Child's Interest and Dividends	N-814	No
8824	Like-Kind Exchanges	None	Yes
8829	Expenses for Business Use of Your Home	None	Yes
8853	Archer MSAs and Long-Term Care Insurance Contracts	None	No

+If "Yes" is indicated and there is no Hawaii equivalent form, the federal form must be used.

To request tax forms by mail, you may call 808-587-4242 or toll-free 1-800-222-3229.

You may also obtain tax forms through the Department of Taxation's Internet address at [www.hawaii.gov/tax](http://www.hawaii.gov/tax).

# Form N-15

## General Instructions

### Guidelines for Filling in Scannable Forms

Form N-15 and Schedule CR are designed for electronic scanning that permits faster processing with fewer errors. In order to avoid unnecessary delays caused by manual processing, taxpayers should follow the guidelines listed below:

- Print amounts only on those lines that are applicable.
- Use only a black or dark blue ink pen. Do not use red ink, pencil, or felt tip pens.
- Because this form is read by a machine, please print your numbers inside the boxes like this:

1	2	3	4	5	6	7	8	9	0	X
---	---	---	---	---	---	---	---	---	---	---

- Do NOT print outside the boxes.
- Fill in ovals completely. Do not ✓ or ✕ the ovals.
- Do NOT enter cents. For numbers that are required to be rounded to the nearest dollar, do NOT print over the zeros printed on the form that are used to designate cents.
- Do NOT use dollar signs, slashes, dashes or parenthesis in the boxes.
- Photocopying of this form could cause delays in processing your return.

### Who Must File

1. Every individual doing business in Hawaii during the taxable year must file a return, whether or not the individual derives any taxable income from that business. "Doing business" includes all activities engaged in or caused to be engaged in with the object of gain or economic benefit, direct or indirect, except personal services performed as an employee under the direction and control of an employer. For example, every person receiving rents from property owned in Hawaii is "doing business" and must file a return whether or not the person's expenses exceed the gross rental income.

2. Every individual receiving more than the following amounts of gross income subject to taxation under Hawaii Income Tax Law, including amounts received as salaries or wages for services rendered by an employee to an employer, must file a return:

For Individuals Under Age 65	
Filing Status	Gross Income of
Married filing separately	\$3,040
Single or legally separated	\$3,040
Single, head of household	\$3,960
Qualifying widow(er) with a dependent child	\$5,040
Married couple filing jointly	\$6,080

For Individuals Age 65 or older	
Filing Status	Gross Income of
Married filing separately	\$4,080
Single or legally separated	\$4,080
Single, head of household	\$5,000
Qualifying widow(er) with a dependent child	\$6,080
Married couple filing jointly, one is 65 or older	\$7,120
Married couple filing jointly, both are 65 or older	\$8,160

These threshold amounts will be higher for persons who are blind, deaf, or totally disabled, and who have completed and filed a certification with the Department of their disability on Form N-172 **before** filing their income tax return.

For individuals who can be claimed as dependents on the tax return of another taxpayer, the threshold amount is the amount of the dependents' standard deduction.

For nonresident aliens, the threshold amount is \$1,040 for individuals under 65, and \$2,080 for individuals 65 or older.

For nonresident individuals, the threshold amounts stated above must be multiplied by the ratio of Hawaii adjusted gross income to total adjusted gross income from all sources to determine whether the individual must file a return.

3. Individuals who took up residence in Hawaii after attaining the age of 65 years and before July 1, 1976, may elect to be taxed only on Hawaii source income. See *Election Under Act 60, SLH 1976* on this page.

4. Children who receive unearned income during the taxable year and have not attained the age of 14 years before the end of the taxable year must file their own returns to report their income unless their parent or parents report that income. However, the Department of Taxation will, administratively, not require the filing of a State income tax return if the child's total earned and/or unearned income for the taxable year is \$500 or less and the application of the standard deduction amount results in no taxable income for the child. Children who must file a return may need to file Form N-615, Computation of Tax for Children Under Age 14 Who Have Investment Income of More than \$1,000. Parents may report income of their children by filing Form N-814, Parent's Election to Report Child's Interest and Dividends.

5. If you need to report additional tax from Form N-2, Distribution from an Individual Housing Account; Form N-103, Sale of Your Home; Form N-152, Tax on Lump-Sum Distributions; Form N-312, Recapture of Capital Goods Excise Tax Credit; Form N-318, Recapture of High Technology Business Investment Tax Credit; Form N-338, Recapture of Tax Credit for Flood Victims; Form N-405, Tax on Accumulation Distribution of Trusts; Form N-586, Recapture of Low-Income Housing Tax Credit; or Form N-814, Parent's Election to Report Child's Interest and Dividends, then you must file a return regardless of income level.

### Who Should File

Even if you do not have to file, you should file to get a refund if too much income tax was withheld from your pay. Also, if you are eligible for refundable credits, you need to file a return to claim the credits.

### Residents and Nonresidents

#### Resident

A resident is taxed on income from all sources.

A resident must file an Individual Income Tax Return—Resident (Form N-11 or N-13), if required to do so.

A Hawaii resident is (1) Every individual domiciled in Hawaii, and (2) Every other individual whether domiciled in Hawaii or not, who resides in Hawaii for other than a temporary or transitory purpose. An individual domiciled outside Hawaii is presumed to be a resident if he or she spends more than 200 days in Hawaii during the taxable year. This presumption may be overcome by evidence satisfactory to the Department of Taxation that the individual maintained a permanent place of abode outside the State and was in the State for a temporary or transitory purpose. No person shall be deemed to have gained or lost a residence simply because of his or her presence or absence in compliance with military or naval orders of the United States, while engaged in aviation or navigation, or while a student at any institution of learning. See Tax Information Release No. 97-1, "Determination of Residence Status".

#### Nonresident

A Hawaii nonresident is an individual who is in Hawaii for a temporary or transient purpose, and whose permanent domicile is not Hawaii.

A nonresident must file an Individual Income Tax Return—Nonresident and Part-Year Resident (Form N-15), if required to do so. A nonresident will be taxed on income from Hawaii sources only.

A nonresident married to a Hawaii resident may choose to file a joint return with the resident spouse on Form N-11 or N-13; **however, the nonresident will then be taxed on all income from all sources.** For more information, see *Married Filing Joint Return* on page 7.

#### Election Under Act 60, SLH 1976

Individuals who took up residence in Hawaii after attaining the age of 65 years and before July 1, 1976, may elect to be taxed only on Hawaii source income. To make the election, attach a signed statement to Form N-11 setting forth the date that the individual established residence in Hawaii and the individual's date of birth (which must be before July 1, 1911). Individuals making this election must file a return regardless of the amount of income earned, and **may not use Form N-13.**

#### Part-Year Resident

A part-year resident is an individual who was a Hawaii resident for part of the year, and who was a nonresident during the other part of the year. This



includes those who moved to Hawaii during the year and those who moved away from Hawaii during the year.

A part-year resident must file an Individual Income Tax Return—Nonresident and Part-Year Resident (Form N-15), if required to do so. A part-year resident will be taxed on all income from all sources during the period of residency, and on income from Hawaii sources only during the period of nonresidency.

## Domicile Defined

The term “domicile” means the place where an individual has a true, fixed, permanent home and principal establishment, and to which place the individual has, whenever absent, the intention of returning. It is the place in which an individual has voluntarily fixed the habitation of himself or herself and family, **not for a mere special or temporary purpose, but with the present intention of making a permanent home.** Three things are necessary to create a new domicile: first, abandonment of the old domicile; second, the intent to establish a new domicile; and third, actual physical presence in the new domicile. Once a domicile is established, the intent to abandon it is not itself sufficient to create a new domicile; a new domicile must be shown.

**Reminder:** If you are in Hawaii because of military orders and do not intend to make Hawaii your permanent home, you are not considered a Hawaii resident for income tax purposes, even though you have been in Hawaii for more than 200 days in 2009. File a resident return with your home state, and file a Hawaii nonresident and part-year resident return (Form N-15) to report your Hawaii income.

## Resident and Nonresident Examples

**Note:** For more information, see Tax Information Release No. 90-3, “*Income Taxation and Eligibility for Credits of an Individual Taxpayer Whose Status Changes from Resident to Nonresident or from Nonresident to Resident*”, Tax Information Release No. 90-10, “*Clarification of Taxation and the Eligibility for Personal Exemptions and Credits of Residents and Nonresidents in the Military and Spouses and Dependents of Persons in the Military*”, and Tax Information Release No. 97-1, “*Determination of Residence Status*”.

Example 1—A Hawaii resident who enlists in the military normally will remain a Hawaii resident regardless of the length of absence from Hawaii while stationed outside of Hawaii.

Example 2—A Hawaii resident working in a foreign country will remain a Hawaii resident unless permanent resident status is granted by the foreign country.

Example 3—Foreign students who are granted entry into the United States on an “F” visa are nonresidents for Hawaii tax purposes. Researchers and faculty members who are granted entry into the United States on “H”, “J”, or “Q” visas, and who have been in Hawaii for more than 200 days during the taxable year may be considered Hawaii residents.

Example 4—Spouses of those in the military service do not become Hawaii residents if their principal reason for moving to Hawaii was the transfer of the service member spouse to Hawaii, and if it is their intention to leave Hawaii when the service member spouse either is transferred to another military station or leaves the service.

Example 5—A Hawaii resident who marries a nonresident will remain a Hawaii resident unless the three requirements for changing his or her domicile are also met. (Refer to “Domicile Defined” on this page.) This situation applies in reverse to a nonresident who marries a resident. A person’s residence status will not change just because of marriage.

## Which Form to File

You must file resident Form N-11 or N-13, as appropriate, if you were a resident for the full year. File Form N-15 if you were a nonresident for the full year or a part-year resident.

### Generally, you **MUST** use Form N-11 if:

- You were a resident for the **full** year, or, if married filing jointly, **either** spouse was a resident for the full year (however, the nonresident spouse would be taxed on their worldwide income for the full year).
- But if you qualify to file Form N-13, you may file it instead of Form N-11.
- You were a resident for the full year as described above and you file your return on a fiscal year basis.

### You **MUST** use Form N-15 if:

- You were a nonresident for the **full** year, or, if married filing jointly, **both** spouses were nonresidents for the full year.
- You are taking up residence in Hawaii during the tax year. (Part-year resident).
- You are giving up residence in Hawaii during the tax year. (Part-year resident).

### You **MAY** Be Able to Use Form N-13 if:

- You were a resident for the **full** year, or, if married filing jointly, **either** spouse was a resident for the full year (however, the nonresident spouse would be taxed on their worldwide income for the full year);

- You had only wages, salaries, tips, interest, ordinary dividends, and unemployment compensation, AND
- Your taxable income (adjusted gross income less standard deduction and personal exemptions) is less than \$100,000.

Form N-13 is a simplified form. However, Form N-11 may allow you to pay less tax.

If you are eligible to file Form N-13 but you filed a federal resident return, you may want to file Form N-11 instead because it uses information you already entered on your federal return.

To see if you qualify to use Form N-13, see the instructions for Form N-13.

## When to File

You should file as soon as you can after January 1, but not later than April 20, 2010. If the due date falls on a Saturday, Sunday, or legal holiday, file by the next regular workday. If you file late, you may have to pay penalties and interest if you owe taxes on your return. Please see the instructions for *Penalties and Interest* on page 34. If you cannot meet the deadline, you are automatically granted a 6-month extension without the need to file anything with the Department unless an additional tax payment must be made. As long as the following conditions are met, you are deemed to have made an application for the 6-month extension to file an income tax return on the prescribed due date:

1. On or before April 20, 2010, 100% of the properly estimated tax liability is paid;
2. The tax return is filed on or before the expiration of the 6-month extension period;
3. The tax return is accompanied by full payment of any tax not already paid; and
4. You are not bound by a court order to file a tax return on or before the prescribed due date.

If you must make an additional payment of tax on or before April 20, 2010 in order to meet the condition requiring payment of 100% of the properly estimated tax liability, you must file Form N-101A with your payment. The extension of time to file is not an extension of time for payment of tax.

Form N-101A can be filed and payment made electronically through the State’s Internet portal. For more information, go to [www.ehawaii.gov/efile](http://www.ehawaii.gov/efile). Federal Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, may **not** be used in lieu of Form N-101A.

**Note:** *Returns for fiscal year taxpayers must be filed on or before the 20th day of the fourth month following the close of the fiscal year.*

**Note:** *Under Hawaii Income Tax Law, certain tax credits must be claimed within 12 months from the close of the tax year.*

The official U.S. Post Office cancellation mark will be considered primary evidence of the date of filing of tax documents and payments. If you want to keep evidence that you mailed your return on time, ask your Post Office for a Certificate of Mailing. It is NOT necessary to get a certified or registered mail return receipt.

Hawaii has adopted the Internal Revenue Code provision to allow documents and payments delivered by a designated private delivery service to qualify for the “timely mailing treated as timely filing/paying rule.” The Department of Taxation will conform to the Internal Revenue Service listing of designated private delivery service and type of delivery services qualifying under this provision.” Timely filing of mail which does not bear the U.S. Post Office cancellation mark or the date recorded or marked by the designated delivery service will be determined by reference to other competent evidence. The private delivery service can tell you how to get written proof of the mailing date.

## Where to File

If you are enclosing a check or money order with your tax return, mail your return with payment to:

### Hawaii Department of Taxation

Attn: Payment Section  
P. O. Box 1530  
Honolulu, Hawaii 96806-1530

If you are NOT enclosing a check or money order with your tax return, mail your return to:

### Hawaii Department of Taxation

P. O. Box 3559  
Honolulu, Hawaii 96811-3559

If two pre-addressed envelopes were received with your forms, please use the appropriate envelope as stated above.

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## Where to Get Forms and Information

### Taxpayer Services Branch

Website: [www.hawaii.gov/tax](http://www.hawaii.gov/tax)

E-mail: [Taxpayer.Services@hawaii.gov](mailto:Taxpayer.Services@hawaii.gov)

Telephone:

808-587-4242

Toll-Free: 1-800-222-3229

Telephone for the hearing impaired:

808-587-1418

Toll-Free: 1-800-887-8974

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## Other Information

### Death of Taxpayer

Did the taxpayer die before filing a return for 2009? If so, the taxpayer's spouse or personal representative may have to file a return and sign it for the person who died (decedent) if the decedent was required to file a return. A personal representative can be an executor, administrator, or anyone who is in charge of the taxpayer's property.

If the decedent did not have to file a return but either had State income tax withheld, made estimated tax payments, or is eligible for various tax credits, a return must be filed to get a refund.

If your spouse died in 2009 and you did not remarry in 2009, or if your spouse died in 2010 before filing a return for 2009, you may still file a joint return for the 2009 tax year.

A return filed for a deceased taxpayer, including a joint return with a surviving spouse, must have the word "**DECEASED**" written on the top middle of the return. The words "**TAXPAYER DECEASED**" or "**SPOUSE DECEASED**" and the date of death also must be written in the space **below** the "THIS SPACE RESERVED" box.

Generally, the personal representative or other responsible individual must sign the return on behalf of the decedent. **If a refund is due, Form N-110, Statement of Person Claiming Refund Due a Deceased Taxpayer**, must be completed and attached to the return to ensure that the refund check will be issued in the name of the surviving spouse, personal representative, or other responsible individual instead of in the decedent's name. A personal representative or other individual may be required to attach other documents such as the death certificate. See Form N-110 for further information.

**Exception for joint returns filed by surviving spouse.** If a *joint* return is being filed by the decedent and the decedent's spouse, the spouse should write, "Filing as surviving spouse", on the signature line which the decedent would have signed, and then the surviving spouse should sign his or her name on the other signature line. If a refund is being claimed on the return, Form N-110 is not required. The refund check will be issued to the surviving spouse.

### Declaration of Estimated Tax

**Basic rules.** Individuals who must pay more tax than is withheld, or who have no withholding, may have to file a declaration of estimated tax and pay that tax in a lump sum or installments. Income tax obligations might not be satisfied through withholding when an individual has income not subject to withholding, such as from self-employment, rent, gains from sales of property, interest and dividend income, unemployment compensation, or distributions from deferred compensation plans.

**Who Must File a Declaration on Form N-1.** An individual subject to Hawaii net income tax generally must file Form N-1, *Declaration of Estimated Tax for Individuals*, unless: (a) his or her estimated tax liability for the taxable year, after taking into account all taxes withheld or collected at the source, is less than \$500, or (b) the taxpayer did not have any tax liability for the preceding taxable year. See Form N-1 for details. Form N-1 can be filed and payment made electronically through the State's Internet portal. For more information, go to [www.ehawaii.gov/efile](http://www.ehawaii.gov/efile).

**Date and Payment of Estimated Tax.** Your declaration for 2010 must be filed on or before April 20, 2010. The tax may be paid in full with the declaration, or in equal installments on or before April 20, 2010, June 20, 2010, September 20, 2010, and January 20, 2011. Each installment payment must be submitted with a payment voucher. Make checks or money orders payable to the "Hawaii State Tax Collector".

**Penalties.** If you are required to file a declaration but you fail to do so, you may be subject to penalties. See *Penalties and Interest* on page 34.

### Multistate Tax Compact Act

Any taxpayer, other than a corporation acting as a business entity in more than one state, who is required by the Hawaii Income Tax Law to file a return and whose only activities in the State consist of sales and who does not own or rent real estate or tangible personal property and whose annual gross sales in or into the State during the tax year are not in excess of \$100,000 may elect

to report and pay a tax of .5 percent of such annual gross sales. Taxpayers who elect the foregoing shall file Form N-310 in lieu of Form N-15.

## Composite Tax Returns and Payments

Composite tax returns and composite tax payments may be made on behalf of nonresident shareholders of an S corporation, nonresident partners of a partnership, and nonresident members of a limited liability company or limited liability partnership. Instructions for filing a composite Form N-15 for nonresident shareholders, partners, and members are included in the instructions for Forms N-20 and N-35.

## Election to File Form N-15 Without Providing Information as to Worldwide Source Income

In lieu of providing information as to worldwide source income, nonresident taxpayers (including nonresident alien taxpayers) and part-year resident taxpayers may elect to file Form N-15 without claiming any standard deduction or personal exemption amounts. Itemized deductions calculated using the ratio of Hawaii adjusted gross income to Total adjusted gross income may not be claimed. Also, tax credits which are based on total adjusted gross income from all sources may not be claimed. To make this election, enter zero on line 37, Ratio of Hawaii AGI to Total AGI.

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## Steps for Preparing Your Return

These instructions consist of 12 steps. You should complete the first 3 steps that follow **BEFORE** you begin to fill in your return.

Steps 4 and 5, filling in the return through line 6e, begin on page 7 and end on page 10. Step 6, filling in the rest of the return, is on page 10. The Line-By-Line Instructions for Form N-15 begin on page 10 and end on page 33.

Finally, steps 7 through 12 begin on page 33. These are the steps you should take after your Form N-15, and other schedules and forms you need, are filled in.

If you follow these steps and read the Line-By-Line Instructions, we feel you can fill in your return quickly and accurately. If you have any questions, call our Taxpayer Services staff.

## Special Instructions for Nonresident Aliens

Special rules will apply to you if you are considered a nonresident alien or a dual-status alien. For Hawaii income tax purposes, a nonresident alien is an individual who is not a U.S. citizen, and who has not been in Hawaii for more than 200 days during the taxable year, or is in Hawaii for a temporary or transient purpose. A dual-status alien is a person who was a resident alien for part of the year and a nonresident alien for the other part of the year.

The special rules for nonresident and dual-status aliens will not apply if you elect to be taxed as a resident alien on your federal income tax return. You can make this election if either of the following applies to you:

- You were a nonresident alien on the last day of the tax year, and your spouse was a U.S. citizen or resident alien on the last day of the tax year.
- You were a nonresident alien at the beginning of the tax year, but you were a resident alien on the last day of the tax year and your spouse was a U.S. citizen or resident alien on the last day of the tax year. (This also applies if both you and your spouse were nonresident aliens at the beginning of the tax year and both were resident aliens at the end of the tax year.)

See federal Publication 519, U.S. Tax Guide for Aliens, for complete definitions of "resident alien", "nonresident alien", and "dual-status alien".

In certain situations, a taxpayer may be considered a nonresident alien for federal income tax purposes and a resident for Hawaii income tax purposes. In these situations, the special rules applicable to individuals who are considered nonresident aliens for federal income tax purposes will apply when the individual files a Hawaii resident income tax return. See Tax Information Release No. 97-1, "*Determination of Residence Status*".

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## Step 1

### Get all of your income records together.

These include any Forms HW-2 and federal Forms W-2 or 1099 that you received. If you don't receive a Form HW-2 or federal Form W-2 by January 31, or if the one you get isn't correct, please contact your employer as soon as possible. Only your employer can give you a Form HW-2 or federal Form W-2, or correct it. If you cannot get a Form HW-2 or federal Form W-2 by February 15, please contact our Taxpayer Services staff.

If you have someone prepare your return for you, make sure that person has all your income and expense records so he or she can fill in your return correctly. Remember, even if someone else prepares your return incorrectly, **YOU** are still responsible.

## Step 2

### If you plan to claim tax credits or itemize deductions, get the information and expense records you need.

These instructions tell you what credits and deductions you can claim. Some of the records you may need are:

- Medical and dental payment records.
- Real estate and income tax receipts.
- Interest payment records for a home mortgage.
- Receipts for charitable contributions.

## Step 3

### Get any forms, schedules, or information you need.

All forms and instructions you need may be picked up at any district tax office. You may also request that the forms and publications be mailed to you. Please allow approximately 10 days for the mailing of the tax forms. Tax forms are also available on the Internet. See page 6 for the phone number to request the forms you need and for the Department's website address.

## Step 4

### Fill in the applicable oval to indicate whether you are a part-year resident or nonresident. Also, fill in the applicable oval if you are a nonresident alien or dual-status alien.

At the top of Form N-15, you **must** fill in the applicable oval to indicate whether you are a part-year resident or nonresident. If one of the ovals is not filled in, your return may be processed incorrectly and may result in a delay. Also, fill in the applicable oval if you are a nonresident alien or dual-status alien.

If you are a part-year resident, you **must** fill in the period of your Hawaii residency on the line which begins "Tax Year . . ." If the part-year resident oval is filled in and the line to indicate the taxpayer's tax year is not completed, any claims for the refundable food/excise tax credit, credit for low-income household renters, or credit for \$1 general income tax will be disallowed.

## Step 5

### Fill in your name, address, filing status, and exemptions.

**Note:** Enter your social security number and name at the top of Form N-15, pages 2, 3, and 4. If you are married and filing a joint return, also enter your spouse's social security number and name at the top of Form N-15, pages 2, 3, and 4.

If you requested a forms booklet, take the mailing label from the booklet we sent to you and make sure the information is correct. If any information is incorrect, do not use the mailing label. Instead, print the entries in this section.

After you have completed and checked all entries, attach your label (if the information is correct) to the return over the mailing address area where indicated. Use of the label helps us identify your account, saves processing time, and speeds refunds.

Do not attach your label to the envelope. It may get separated from your return.

If you did not receive a label, print the entries in this section.

**Note:** Your social security number is no longer printed on the mailing label. You must write your social security number in the boxes provided on your tax return.

**Note:** You must write the first four letters of your last name in the boxes provided. If you are married, you must also write the first four letters of your spouse's last name in the boxes provided whether joint or separate returns are filed.

**Note:** Fill in the appropriate oval if you are filing a tax return for the first time or if your address or name has changed.

### Name

You must use your legal name. Nicknames are not permitted. If you have changed your name because of marriage, divorce, etc., make sure you immediately notify the Social Security Administration so that the name on your tax return is the same as the name on the social security records. If these names do not match, your refund may be delayed.

If you file joint returns, write the names in the same order every year. There is a separate line for the spouse's name.

Write any descriptions (e.g. Jr., III, etc.) after your last name.

### Address

Write your current mailing address in the space provided. If you receive your mail "in care of" someone else (i.e., your mail is sent to an address belonging to someone other than yourself), fill in that person's name in the space provided.

If your address is outside the United States or its possessions or territories, enter the city in the space provided for "City, town or post office", and enter the postal code in the space provided for "Postal/ZIP code." Enter the province and/or state, and the name of the country in the space provided. **Do not** abbreviate the country name.

**Important:** If your address should change after you file your return, you must notify the Department **in writing** of your new address. Please include your social security number and your signature. Any refund checks due to you will **not** be forwarded to your new address by the U.S. Postal Service.

### Social Security Number

Write your social security number in the boxes provided. If you are married, you must also write your spouse's social security number in the boxes provided whether joint or separate returns are filed. Your social security numbers must be written in the same order as your names are written on your return.

If you are an alien and were issued an individual taxpayer identification number (ITIN) by the IRS, enter your ITIN. If you have applied for an ITIN but the IRS has not yet issued the ITIN, write "ITIN Applied For" in the space below the "THIS SPACE RESERVED" box.

## Filing Status

Fill in oval 1, 2, 3, 4, or 5 as appropriate. Fill in only one oval.

**Note:** More than one filing status may apply to you. Choose the one that will give you the lowest tax. Your Hawaii filing status may or may not be the same as your federal filing status.

### Single

Select oval 1, Single, if on December 31, 2009, you were unmarried, divorced, or separated from your spouse under a separate maintenance decree. State law governs whether you are married, divorced, or legally separated.

If you are married on December 31, 2009, consider yourself married for the whole year.

If your spouse died during 2009, consider yourself married to that spouse for the whole year, unless you remarried before the end of 2009.

If you are unmarried and provide a home for certain other persons, you may be able to file as Head of Household. See *Head of Household* on page 8.

If you were married in 2009, had a child living with you, and lived apart from your spouse during the last 6 months of 2009, you may be able to file as Head of Household. See *Married Persons Who Live Apart* on page 8.

### Married Filing Joint Return

If you file a joint return, you must report all income, exemptions, deductions, and credits for you and your spouse. Both of you must sign the return, even if only one of you had income.

You and your spouse can file a joint return even if you did not live together for the whole year. Both of you are responsible for any tax due on a joint return, so if one of you doesn't pay, the other may have to.

**Note:** If you and your spouse file a joint return for the year and later decide to file separately, both you and your spouse **MUST** file amended returns on or before the due date of the original return (April 20). **You may not change your filing status from married filing jointly to married filing separately after that date.**

If your spouse died in 2009 or in 2010 before filing a return for 2009, see *Death of Taxpayer* on page 6.

**Tax Savings.** If you decide not to file a joint return and plan to file a separate return, see if you can lower your tax by meeting the tests described on page 8 under *Married Persons Who Live Apart*. If you can, you should fill in oval 4 for Head of Household.

**Special Rule for Nonresidents of Hawaii Who File a Joint Return With a Hawaii Resident.** If at the end of the taxable year you were a nonresident of Hawaii (but you were a U.S. resident) who is married to a resident of Hawaii, you may choose to file a joint return with the resident spouse. By filing a joint return, however, you and your spouse agree to be taxed on your combined worldwide income.

**Special Rule for Nonresident and Dual-Status Aliens.** Generally, you cannot file a joint return if either spouse was a nonresident alien at any time during the tax year. However, nonresident aliens married to U.S. citizens or



residents can elect to be taxed as a U.S. resident on their federal income tax return and file joint returns. If you and your spouse have made that election on your federal return, you also may choose to file a joint Hawaii return. By filing a joint return, you and your spouse agree to be taxed on your combined worldwide income.

**Special Rule When One Spouse Is a Nonresident or Part-Year Resident.** If one spouse is a resident and the couple files a joint return, both spouses are taxed on worldwide income. If at least one spouse is a part-year resident and the couple files a joint return, the couple is taxed on worldwide income for the period in which either spouse was a resident.

**Note:** For purposes of filing a joint return, common law marriages are not recognized under Hawaii law unless they began in a state which permits common law marriages.

## Married Filing Separate Returns

You may file separate returns whether both you and your spouse had income, only one of you had income, or neither of you had income.

If you choose to file separate returns, both you and your spouse must figure your tax the same way. This means that if one of you itemizes your deductions, the other must also itemize their deductions. You each report only your own income, exemptions, deductions, and credits, and you are responsible only for the tax due on your own return.

If you file a separate return, write your spouse's full name in the space after oval 3. Also, write the first four letters of your spouse's last name and your spouse's social security number in the boxes provided.

If your spouse does not file a Hawaii tax return, you may be able to claim the exemptions for your spouse. See the instructions for lines 6a and 6b.

**Special Rule for Nonresident and Dual-Status Aliens.**—Married nonresident aliens must file separate returns. However, nonresident aliens who are married to U.S. citizens or residents and who elect to be taxed as a U.S. resident may file joint returns. However, see *Married Persons Who Live Apart* on this page.

## Head of Household

This filing status is for unmarried individuals who provide a home for certain other persons. (Some married persons who live apart are considered unmarried. See *Married Persons Who Live Apart* on this page.) You can fill in oval 4 only if you were unmarried or legally separated (according to State law) under a decree of divorce or separate maintenance at the end of 2009 and either 1 or 2 below applies.

1. You paid over half the cost of keeping up a home that was the main home for all of 2009 of your parent whom you can claim as a dependent, except under a multiple support agreement (see page 10). Your parent did not have to live with you.
  2. You paid over half the cost of keeping up a home in which you lived and in which one of the following also lived for more than half of the year (if half or less, see *Exception to Time Lived With You* below).
    - a. Any person whom you can claim as a dependent. But do not include:
      - i. Your qualifying child (as defined in Step 1 on page 9) whom you claim as your dependent based on the rules for *Children of Divorced or Separated Parents* on page 9,
      - ii. Any person who is your dependent only because he or she lived with you for all of 2009, or
      - iii. Any person you claimed as a dependent under a multiple support agreement. See page 10.
    - b. Your unmarried qualifying child who is not your dependent.
    - c. Your married qualifying child who is not your dependent only because you can be claimed as a dependent on someone else's 2009 return.
    - d. Your child who is neither your dependent nor your qualifying child because of the rules for *Children of Divorced or Separated Parents* on page 9.
- If the child is not your dependent, enter the child's name on line 4.

**Dependent.** To find out if someone is your dependent, see the instructions for line 6c that begin on page 9.

**Exception to time lived with you.** Temporary absences for special circumstances, such as for school, vacation, medical care, military service, and detention in a juvenile facility, count as time lived in the home. If the person for whom you kept up a home was born or died in 2009, you can still file as head of household as long as the home was that person's main home for the part of the year he or she was alive. Also see *Kidnapped Child* on page 10, if applicable.

**Keeping up a home.** To find out what is included in the cost of keeping up a home, see federal Publication 501.

**Note:** If you received payments under the Aid to Families with Dependent Children (AFDC) program and used them to pay part of the cost of keeping up this home, you may not count these amounts as furnished by you.

**Special Rule for Nonresident and Dual-Status Aliens.**—If you were a nonresident or dual-status alien during the tax year, you cannot file as Head of Household.

**Married persons who live apart.** Even if you were not divorced or legally separated at the end of 2009, you are considered unmarried if all of the following apply.

- You lived apart from your spouse for the last 6 months of 2009. Temporary absences for special circumstances, such as for business, medical care, school, or military service, count as time lived in the home.
- You file a separate return from your spouse.
- You paid over half the cost of keeping up your home for 2009.
- Your home was the main home of your child, stepchild, or foster child for more than half of 2009 (if half or less, see *Exception to Time Lived With You* on page 9).
- You claim this child as your dependent or the child's other parent claims him or her under the rules for *Children of Divorced or Separated Parents* on page 9.

**Adopted child.** An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

**Foster child.** A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

**Special Rule for Nonresident and Dual-Status Aliens.**—If you were a nonresident or dual-status alien during the tax year, the special rules for *Married Persons Who Live Apart* will not apply to you unless you meet all of the tests previously stated, and you are a resident of Canada or Mexico. If you are considered unmarried under these rules, you may file as a single individual rather than married filing separately. You cannot file as Head of Household.

## Qualifying Widow(er) With Dependent Child

You can fill in oval 5 and use joint return tax rates for 2009 if all of the following apply.

- Your spouse died in 2007 or 2008 and you did not remarry in 2009.
- You have a child or stepchild whom you claim as a dependent. This does not include a foster child.
- This child lived in your home for all of 2009. If the child did not live with you for the required time, see *Exception to Time Lived With You* below.
- You paid over half the cost of keeping up your home.
- You could have filed a joint return with your spouse the year he or she died, even if you did not actually do so.

If your spouse died in 2009, you cannot file as qualifying widow(er) with dependent child. Instead, see the instructions for *Married Filing a Joint Return* on page 7.

**Adopted child.** An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

**Dependent.** To find out if someone is your dependent, see the instructions for line 6c that begin on page 9.

**Exception to time lived with you.** Temporary absences for special circumstances, such as for school, vacation, medical care, military service, and detention in a juvenile facility, count as time lived in the home. A child is considered to have lived with you for all of 2009 if the child was born or died in 2009 and your home was the child's home for the entire time he or she was alive. Also see *Kidnapped Child* on page 10, if applicable.

**Keeping up a home.** To find out what is included in the cost of keeping up a home, see federal Publication 501.

**Note:** See **Death of Taxpayer** on page 6 for more information.

**Special Rule for Nonresident and Dual-Status Aliens.**—The special rules for Qualifying Widow(er) With Dependent Child will not apply unless the surviving spouse meets all of the tests previously stated, and was a resident alien or U.S. citizen the year their spouse died. The residency status refers to the surviving spouse's actual status, and not the election that some nonresident aliens make to be taxed as U.S. residents.

## Exemptions

### Lines 6a and 6b

#### Regular

You can take one exemption for yourself unless you can be claimed as a dependent on another person's tax return. Take two exemptions if you are married and filing a joint return.



If you are married filing separately, you can take your spouse's exemptions only if your spouse is not filing a return, had no income, and was not the dependent of someone else. If your spouse meets these qualifications, fill in the oval under line 6b.

If at the end of the taxable year, you were divorced or legally separated, you cannot take an exemption for your former spouse. If you were separated by a divorce that is not final (interlocutory decree), you may take an exemption for your spouse if you file a joint return.

If your spouse died during the taxable year and you did not remarry before the end of the taxable year, fill in the ovals for the exemptions you could have taken for your spouse on the date of death.

## Age 65 or Over

You can take the extra exemption for age 65 or over only for yourself and your spouse. You cannot take them for your dependents.

Age is determined as of December 31. However, if your 65th birthday was on January 1, 2010, you can take the extra exemption for age in 2009.

If you are married filing separately, you may NOT claim the extra exemption for age 65 or over for your spouse.

## Lines 6c and 6d

### Children and Other Dependents

Enter the number of your dependent children listed in the box for line 6c. Enter the number of other dependents listed in the box for line 6d. Enter on lines 6c and 6d the full names, social security numbers, and other information for your dependent children and other dependents. Each dependent must have a social security number.

Follow the steps below to find out if a person qualifies as your dependent.

#### Step 1 Do You Have a Qualifying Child?

**A qualifying child is a child who is your:**

- Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew), and
- Was younger than you, and under age 19 at the end of 2009, or under age 24 at the end of 2009 and a student, or any age and permanently and totally disabled, and
- Who did not provide over half of his or her own support for 2009, and
- Who lived with you for more than half of 2009. If the child did not live with you for the required time, see *Exception to Time Lived With You* on this page, and
- Who has not filed a joint return, unless the return was filed only as a claim for refund.

1. Do you have a child who meets the conditions to be your qualifying child?

**Yes.** Go to Step 2.

**No.** Go to Step 3.

#### Step 2 Is Your Qualifying Child Your Dependent?

1. Was the child a U.S. citizen, U.S. national, or a resident of the United States, Canada, or Mexico? If the child was adopted, see *Exception to Citizen Test* on this page.

**Yes.** Go to Question 2.

**No.** Stop. Go to Form N-15, line 7.

2. Was the child married?

**Yes.** See *Married Person* on page 10.

**No.** Go to Question 3.

3. Could you, or your spouse if filing jointly, be claimed as a dependent on someone else's 2009 tax return?

**Yes.** You cannot claim any dependents.

**No.** You can claim this child as a dependent.

#### Step 3 Is Your Qualifying Relative Your Dependent?

**A qualifying relative is a person who is your:**

- Son, daughter, stepchild, foster child, or a descendant of any of them (for example, your grandchild), or
- Brother, sister, or a son or daughter of either of them (for example, your niece or nephew), or

Father, mother, or an ancestor or sibling of either of them (for example, your grandmother, grandfather, aunt, or uncle), or

Stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law, or

Any other person (other than your spouse) who lived with you all year as a member of your household if your relationship does not violate local law. If the person did not live with you for the required time, see *Exception to Time Lived With You* on this page, and

- Who was not a qualifying child of any person for 2009, and
- Who had gross income of less than \$3,650 in 2009. If the person was permanently and totally disabled, see *Exception to Gross Income Test* on this page, and

- For whom you provided over half of his or her support in 2009. But see the exceptions for *Children of Divorced or Separated Parents* on this page, and *Multiple Support Agreements* and *Kidnapped Child* on page 10.

1. Does any person meet the conditions to be your qualifying relative?

**Yes.** Go to Question 2.

**No.** Stop. Go to Form N-15, line 7.

2. Was your qualifying relative a U.S. citizen, U.S. national, or a resident of the United States, Canada, or Mexico? If your qualifying relative was adopted, see *Exception to Citizen Test* on this page.

**Yes.** Go to Question 3.

**No.** Stop. Go to Form N-15, line 7.

3. Was your qualifying relative married?

**Yes.** See *Married Person* on page 10.

**No.** Go to Question 4.

4. Could you, or your spouse if filing jointly, be claimed as a dependent on someone else's 2009 tax return?

**Yes.** Stop. You cannot claim any dependents.

**No.** You can claim this person as a dependent.

### Definitions and Special Rules.

**Adopted child.** An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

**Children of divorced or separated parents.** A child will be treated as being the qualifying child or qualifying relative of his or her noncustodial parent (the parent who had custody of the child for the lesser part of 2009 or did not have custody at all) if all of the following apply.

1. The parents are divorced, legally separated, separated under a written separation agreement, or lived apart at all times during the last 6 months of 2009.
2. The child received over half of his or her support for 2009 from the parents (without regard to the rules on Multiple Support Agreements on page 10).
3. The child is in custody of one or both of the parents for more than half of 2009.
4. Either of the following applies.
  - a. The custodial parent signs federal Form 8332 or a substantially similar statement that he or she will not claim the child as a dependent for 2009. The noncustodial parent must attach federal Form 8332 or a similar statement to his or her tax return to claim the child as a dependent.
  - b. A decree of divorce or separate maintenance or written separation agreement between the parents that applies to 2009 provides that the noncustodial parent can claim the child as a dependent. If your decree or agreement went into effect before 1985, the noncustodial parent must provide at least \$600 for support of the child during 2009.

If the rules above apply and this child would otherwise be the qualifying child of more than one person:

- Only the noncustodial parent can claim the child for purposes of the dependency exemption.

- Only one person can file as head of household. No other person can file as head of household unless he or she has a different qualifying child. If you and any other person claim the child as a qualifying child, the rules shown under *Qualifying Child of More Than One Person* on page 10 will apply. See federal Publication 501 for more details.

**Exception to citizen test.** If you are a U.S. citizen or U.S. national and your adopted child lived with you all year as a member of your household, that child meets the citizen test.

**Exception to gross income test.** If your relative (including a person who lived with you all year as a member of your household) is permanently and totally disabled (defined on page 10), certain income for services performed at a sheltered workshop may be excluded for this test. For details, see federal Publication 501.

**Exception to time lived with you.** A person is considered to have lived with you for all of 2009 if the person was born or died in 2009 and your home was this person's home for the entire time he or she was alive. Temporary absences for special circumstances, such as for school, vacation, medical

care, military service, or detention in a juvenile facility, count as time lived with you. Also see *Children of Divorced or Separated Parents* on page 9 or *Kidnapped Child* below.

**Foster child.** A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

**Kidnapped child.** If your child is presumed by law enforcement authorities to have been kidnapped by someone who is not a family member, you may be able to take the child into account in determining your eligibility for head of household or qualifying widow(er) filing status, and the deduction for dependents. See federal Publication 501.

**Married person.** If the person is married, you cannot claim that person as your dependent if he or she files a joint return. But this rule does not apply if the return is filed only as a claim for refund and no tax liability would exist for either spouse if they had filed separate returns. If the person meets this exception, go to Step 2, Question 3, on page 9 (for a qualifying child) or Step 3, Question 4, on page 9 (for a qualifying relative). If the person does not meet this exception, stop. Go to Form N-15, line 7.

**Multiple support agreements.** If no one person contributed over half of the support of your relative (including a person who lived with you all year as a member of your household) but you and another person(s) provided more than half of your relative's support, special rules may apply that would treat you as having provided over half of the support. For details, see federal Publication 501.

**Permanently and totally disabled.** A person who, at any time in 2009, cannot engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition (a) has lasted or can be expected to last continuously for at least a year, or (b) can be expected to lead to death.

**Qualifying child of more than one person.** If the child is the qualifying child of more than one person, only one person can claim the child as a qualifying child for (1) the dependency exemption, and (2) head of household filing status, unless the rules for Children of divorced or separated parents on page 9 apply.

No other person can take any of the two tax benefits listed above unless he or she has a different qualifying child. If you and any other person claim the child as a qualifying child, the following rules will apply.

- If only one of the persons is the child's parent, the child will be treated as the qualifying child of the parent.
- If two of the persons are the child's parents, the child will be treated as the qualifying child of the parent with whom the child lived for the longer period of time in 2009. If the child lived with each parent for the same amount of time, the child will be treated as the qualifying child of the parent who had the higher adjusted gross income (AGI) for 2009.
- If none of the persons is the child's parent, the child will be treated as the qualifying child of the person who had the highest AGI for 2009.
- If the parents of a child can claim the child as a qualifying child but no parent so claims the child, no one else can claim the child as a qualifying child unless that person's AGI is higher than the highest AGI of any parent of the child.

**Example.** Your daughter meets the conditions to be a qualifying child for both you and your mother. If you and your mother both claim tax benefits based on the child, the rules above apply. Under these rules, you are entitled to treat your daughter as a qualifying child for any of the two tax benefits listed above for which you otherwise qualify. Your mother would not be entitled to take any of the two tax benefits listed above unless she has a different qualifying child.

If you will be claiming the child as a qualifying child, go to Step 2 on page 9. Otherwise, stop; you cannot claim any benefits based on this child.

**Student.** A child who during any part of 5 calendar months of 2009 was enrolled as a full-time student at a school, or took a full-time, on-farm training course given by a school or a state, county, or local government agency. A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or Internet school.

**Birth or Death of Dependent.** You can take an exemption for a dependent who was born or who died during the taxable year if he or she met the tests for a dependent while alive. This means that a baby who lived only a few minutes can be claimed as a dependent.

## Line 6e

Add the numbers you entered in the boxes 6a, 6b, 6c and 6d. Enter the total in the box on line 6e.

## Step 6

### Fill in your return.

Line-By-Line instructions for filling in Form N-15 begin on this page and end on page 33. Please read and follow the instructions carefully.

## Line-By-Line Instructions— Form N-15

### Lines 7 through 36

Form N-15 has two columns for lines 7 through 36; Total Income, Column A and Hawaii Income, Column B.

**You must report in Column A,** your total income (regardless of source) and adjustments to your total income as if you were a full year Hawaii resident. Your total income and adjustments may not be the same as that reported on your federal income tax return. For example, social security benefits should not be reported in Column A.

If you are a **nonresident, report in Column B,** only income derived from Hawaii sources and the allowable adjustments to your Hawaii income.

If you are a **part-year resident, report in Column B,** your total income (regardless of source) and adjustments to your total income during the period of residency, and only income derived from Hawaii sources and the allowable adjustments to your Hawaii income for the period of nonresidency.

The following is a general discussion of income from Hawaii sources, and allowable adjustments to Hawaii income.

## Income

Nonresidents should report in Column B, gross income from property owned, personal services performed, trade or business carried on, and every other source in the State (Hawaii). Part-year residents should report in Column B, gross income (regardless of source) for the period of residency, and gross income from property owned, personal services performed, trade or business carried on, and every other source in the State (Hawaii) for the period of nonresidency.

In determining whether income has its source in the State or outside the State, the following rules should be applied:

- The source of income from either real or tangible personal property, is the place where the property is "owned", which means the place where the property has its situs.
- Intangible property will be deemed to have its situs at the place of the owner's domicile, unless the property has acquired a business situs at another place, in which event, the place of the business situs is the place where the property is owned.
- Chattel real, such as a leasehold, has its situs where the real property is located.
- The source of income from carrying on a trade or business is the place where the trade or business is carried on. If the trade or business is carried on both within and without the State, the portion of the income attributable to the State should be determined as provided by section 235-5, HRS.
- Income from the performance of personal services has its source at the place where the services are performed.
- A gain or loss on the sale or other disposition of property has its source at the place where the property was owned, that is, where it had its situs, at the time of the sale or other disposition.

### Examples of Includable and Excludable Income

The following examples will help you understand what kind of Hawaii source income must be reported as Gross Income in the Hawaii Gross Income Column B of your income tax return during the period of nonresidency, and what items are exempt from tax.

### Examples of Income You Must Report

The following kinds of income should be reported on Form N-15, Column B, and related forms and schedules.

- Wages, including salaries, bonuses, commissions, fees, and tips.
- U.S. Cost of Living Allowances.
- Living Quarter Allowances.
- Interest on:
  - Hawaii tax refunds;
  - Interest received from an agreement of sale of real property located in Hawaii.
- Unemployment compensation benefits received from Hawaii.

- Temporary Disability Insurance Benefits received in Hawaii to the extent that such amounts:
  - are attributable to contributions by your employer which were not includable in your gross income, OR
  - are paid by your employer.
- Business expense reimbursements you received as an employee in Hawaii that are more than you spent for those expenses.
- Refunds of State and local taxes if you deducted the taxes in an earlier year and got a tax benefit. See details on page 12 of instructions.
- Gains or losses from the sale or exchange of Hawaii real estate, securities, or other property.
- Profits or losses from Hawaii businesses or professions.
- Your share of profits or losses from partnerships and small business corporations carried on in Hawaii.
- Your share of trust or estate income or losses from activities carried on in Hawaii.
- Rent from property located in Hawaii.
- Contest prizes with source in Hawaii.
- Certain alimony and separate maintenance payments. Refer to the instructions for *Alimony Paid* on page 19.
- Capital gains and losses from assets with situs in Hawaii.

**Example: Hawaii Income of a Part-Year Resident.**

T, an unmarried cash basis calendar year taxpayer, was a resident of Arizona on January 1, 2009. T moved to Hawaii on April 1, 2009, and continued to work as an insurance agent. T is a Hawaii resident for the remainder of 2009.

- 1) On March 20, 2009, T received \$20,000 as gain from the sale of Arizona real property held for investment. The \$20,000 gain is out-of-state income earned when T was a nonresident. None of it should be reported in Column B.
- 2) T earned commissions of \$25,000 for policies sold after April 1, 2009. The commissions are from a trade or business carried on in Hawaii, and are Hawaii source income. The commissions were earned when T was a Hawaii resident. All of these commissions should be reported in Column B.
- 3) T also earned initial and renewal commissions of \$12,000 for policies sold before April 1, 2009, \$4,000 of which T earned before April 1, 2009. The \$12,000 in commissions earned before April 2009 is from a trade or business carried on in Arizona, and is thus out-of-state income. However, only \$4,000 was earned when T was a nonresident. The remaining \$8,000 should be reported in Column B.
- 4) Finally, T had signed a business consulting contract with one Arizona client, for which T was paid an additional \$1,200 for services rendered throughout the year. It cannot be determined whether the remaining \$1,200 in commission income was generated while T was a Hawaii resident. Thus, because T was a resident for nine months in 2009,  $9/12 \times \$1,200$ , or \$900, shall be reported in Column B unless T demonstrates otherwise to the satisfaction of the Department.

**Examples of Income You Do Not Report**

- Pensions from a private employer pension plan you receive upon retirement where no employee contributions are involved.
- All Government payments and benefits made to veterans and their families.
- Dividends on veterans' Government Insurance.
- Dividends from stocks. Generally, the source of income from an intangible asset (e.g. stock of a corporation) is the owner's place of permanent residence or domicile. This means that a nonresident owning intangible assets and receiving income therefrom, even though the dividend may have been paid by a Hawaii corporation, would not be subject to Hawaii income tax because the nonresident's permanent residence or domicile is not Hawaii. However, such income would be subject to Hawaii income tax if the intangible asset acquired a situs in Hawaii.
- Pension or annuity distributions from a public (i.e., government) retirement system (e.g., federal civil service annuity, military pension, state or county retirement system).
- Workers' compensation, insurance, damages, etc., for bodily injury or sickness.
- Interest on Federal, Hawaii State and County municipal bonds. Also, U.S. Savings Bonds.
- Interest on bonds issued by the Governments of Puerto Rico, U.S. Virgin Islands, Guam, and American Samoa.
- Life insurance proceeds upon death.

- Federal Social Security benefits.
- Railroad Retirement Act benefits.
- Gifts, inheritances, bequests.
- Compensation by Hawaii or the U.S. to a patient affected with Hansen's disease.
- Child support.
- Welfare benefits.
- Compensation for services as a member of the uniformed services of the U.S.
- Contributions to deferred compensation plans with respect to service for state and local governments or to an annuity purchased by qualified non-profit organizations and public schools.
- Royalties and other income derived from patents, copyrights, and trade secrets developed and arising out of a qualified high technology business.
- All income earned and proceeds derived from stock options or stock, including stock issued through the exercise of stock options or warrants, from a qualified high technology business or from a holding company of a qualified high technology business by an employee, officer, or director of the qualified high technology business, or investor who qualifies for the high technology business investment tax credit.
- Amounts paid after 1999 as restitution payments made to Holocaust victims (or their heirs or estate).
- Amount of payment stipend waived by Department of Education coaches and dispensed to the school for the benefit of the coach's team.
- Scholarship grants received by a student under the Nursing Scholars Program.
- All of the gain realized by a fee simple owner from the sale of a leased fee interest in units within a condominium project, cooperative project, or planned unit development, to the association of apartment owners or the residential cooperative corporation of the leasehold units.

## Rounding Off to Whole Dollars

The Department of Taxation is requiring individual taxpayers to round off cents to the nearest whole dollar for all dollar entries on the tax return and schedules. To do so, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example: \$1.39 becomes \$1 and \$2.69 becomes \$3. If you have to add two or more amounts to figure the amount to enter on a line, schedule, or worksheet, you may choose to use one of two methods. Once a method of rounding is established, you must use the same method throughout the return. The first method is to include the cents when adding and round off only the total. The other method is to round off each entry. For example: You received two W-2 forms, one showing Hawaii withholding of \$50.55 and one showing Hawaii withholding of \$185.73. For rounding method 1, show your total Hawaii withholding as \$236,  $(\$50.55 + \$185.73 = \$236.28 \text{ rounded to } \$236)$ . For rounding method 2, show your total Hawaii withholding as \$237,  $(\$50.55 \text{ rounded to } \$51.00 + \$185.73 \text{ rounded to } \$186.00 = \$51 + \$186 = \$237)$ .

## Line 7

### Wages, Salaries, Tips, Etc.

Report as income any salaries, wages, or other compensation received by you, or available to you. You must report the full amount of your wages, salaries, fees, commissions, tips, bonuses, and other payments for your personal services even though taxes and other amounts have been withheld by your employer.

**Note:** You must report on line 7 all wages, etc., paid for your personal services, even if the income was signed over to a trust, (including an IRA), another person, a corporation, or tax exempt organization.

Include in this total:

- The amount shown on Form HW-2 in the box Wages, Tips, Other Compensation. If you received federal Form W-2, report the amount in box 16, State wages, tips, etc. If you did not receive a Form HW-2 or federal Form W-2, see page 6, Step 1 of instructions.
- Tips received that you did not report to your employer. You must report as income the amount of allocated tips shown on your federal W-2 form(s) unless you can prove a lesser amount with adequate records.
- Payment in merchandise, etc. — If your employer pays part or all of your wages in merchandise, services, stock or other things of value, you must determine the fair market value of such items and include it in your wages.
- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience. (Don't report the value of meals given you at work if they were provided for your employer's convenience. Also do not report the value of living quarters you had to accept as a condition of employment).



- Strike and lockout benefits paid by a union from union dues. Include cash and the fair market value of goods received. Don't report benefits that were meant as a gift.
- Amounts received as Cost of Living Allowance, Living Quarter Allowance, and Temporary Disability Insurance.
- The taxable portion of employer-paid dependent care benefits from Schedule X, Part III, line 11. If you are including these benefits, write "DCB" on the dotted line next to line 7.
- The taxable portion of employer-provided adoption benefits. Use the *Adoption Benefits Worksheet* on page 44 to help you figure the taxable portion. If you are including these benefits, write "AB" on the dotted line next to line 7.

Enter in Column A, the amount of salaries, wages, or other compensation earned from all sources that would be taxable if you were a full year Hawaii resident.

Nonresidents: Enter in Column B, the amount of salaries, wages, or other compensation earned for services rendered in Hawaii.

Part-year residents: Enter in Column B, the amount of salaries, wages, or other compensation earned from all sources for the period of residency; and the amount of salaries, wages, or other compensation earned for services rendered in Hawaii for the period of nonresidency.

## Line 8 Interest Income

Report any interest you received or that was credited to your account so you could withdraw it. (It does not have to be entered in your passbook.) Each payer of interest should send you a federal Form 1099-INT or 1099-OID. If you were charged an interest penalty for early withdrawal of your savings, see the instructions for line 30 on page 19.

### Examples of Interest Income You MUST Report

You must report interest on:

- Accounts with banks, credit unions, and savings and loan associations.

**Note:** Do not report interest earned on *Individual Retirement Accounts, Individual Housing Accounts, Individual Development Accounts, Qualified Tuition Programs, Medical Savings Accounts, and Health Savings Accounts*.

- Building and loan accounts.
- Notes and loans.
- Tax refunds (report only the interest on this line; also see the instructions for line 10).
- Bonds and debentures.

**Note:** *Municipal bonds that are issued by another State are taxable in Hawaii. However, interest on Hawaii State and County municipal bonds, and bonds issued by the Governments of Puerto Rico, U.S. Virgin Islands, Guam, and American Samoa are exempt in Hawaii. Also, U.S. Savings Bonds and U.S. Treasury obligations are exempt in Hawaii. For more information about what kinds of obligations are exempt, see Tax Information Release No. 84-1, "Taxability of Interest on U.S. Obligations".*

- Money market funds. But if the payer gives you a federal Form 1099-DIV, report the income as *dividends* on line 9.

Generally, the source of income from an intangible asset is the owner's place of permanent residence or domicile. This means that a nonresident owning intangible assets and receiving income (interest income, dividend income) therefrom, even though the interest income may have been paid by a Hawaii bank or the dividend may have been paid by a Hawaii corporation, would not be subject to Hawaii income tax because the nonresident's permanent residence or domicile is not Hawaii. However, such income would be subject to Hawaii income tax if the intangible asset acquired a situs in Hawaii, such as interest received on an agreement of sale of real property located in Hawaii, or dividends received by an S Corporation situated in Hawaii, which are passed through to the S Corporation's nonresident shareholders.

Enter in Column A, the amount of interest income derived from all sources that would be taxable if you were a full year Hawaii resident.

Nonresidents: Enter in Column B, the amount of interest income derived from intangible assets that have acquired a situs in Hawaii. Use the *Interest Worksheet* on page 40 to help you figure the amount of your taxable interest to enter in Column B.

Part-year residents: Enter in Column B, the amount of interest income derived from all sources for the period of residency; and the amount of interest income derived from intangible assets that have acquired a situs in Hawaii for the period of nonresidency. Use the *Interest Worksheet* on page 40 to help you figure the amount of your taxable interest to enter in Column B.

## Line 9 Ordinary Dividends

**Note:** *Dividends from stock, including stock issued through the exercise of stock options or warrants, from a qualified high technology business or from a holding company of a qualified high technology business by an employee, officer, or director of the qualified high technology business, or investor who qualifies for the high technology business investment tax credit is excluded from Hawaii income taxes.*

Enter your total ordinary dividends. Ordinary dividends are dividends that are paid out of earnings and profits and are ordinary income. Assume that any dividend you receive is an ordinary dividend unless the paying corporation tells you otherwise. Payers include nominees or other agents. Each payer should send you a federal Form 1099-DIV. (If the payer gives you a federal Form 1099-INT or 1099-OID, report the income as interest on line 8.)

### Do Not Report as Dividends

- Mutual insurance company dividends that reduced the premiums you paid.
- Amounts paid on deposits or accounts from which you could withdraw your money such as mutual savings banks, cooperative banks, and credit unions. These amounts are reported as interest on line 8.
- Stock dividends or stock splits. Although these distributions generally are not taxable to you, they may be taxable in certain situations. See federal Publication 17, "Your Federal Income Tax", for more information.
- Capital gain distributions. If your Form 1099-DIV shows capital gain distributions (Box 2a), that amount is reported on line 13.
- Nontaxable distributions. Some distributions are nontaxable because they are a return of your investment (Box 3 of Form 1099-DIV). They will not be taxed until you recover your cost. You must reduce your cost (or other basis) by the amount of nontaxable distributions received. After you get back all of your cost (or other basis), you must report these distributions as capital gains.

See the discussion for line 8 regarding the source of income from an intangible asset.

Enter in Column A, the amount of ordinary dividends derived from all sources that would be taxable if you were a full year Hawaii resident.

Nonresidents: Enter in Column B, the amount of ordinary dividends derived from intangible assets that have acquired a situs in Hawaii.

Part-year residents: Enter in Column B, the amount of ordinary dividends derived from all sources for the period of residency; and the amount of ordinary dividends derived from intangible assets that have acquired a situs in Hawaii for the period of nonresidency.

## Line 10 Taxable Refunds of State and Local Income Taxes

**Note:** *None of your refund is taxable if, in the year you paid the tax, you either (a) did not itemize deductions, or (b) elected to deduct state and local general sales taxes instead of state and local income taxes.*

If you received a refund or credit in 2009 for state or local income taxes you paid before 2009, you may have to report it as income on your Hawaii income tax return. You should receive federal Form 1099-G, or similar statement, showing the refund.

Any part of a refund for state or local income taxes paid before 2009 that you were entitled to receive in 2009 but chose to apply to your 2009 estimated state income tax is considered to have been received in 2009.

If part of your refund was interest, report that amount on Form N-15, line 8.

If you received a refund of 2008 taxes and you itemized deductions in 2008, figure the taxable portion of your refund using the *State Tax Refund Worksheet* on page 40. When completing the *State Tax Refund Worksheet* on page 40, enter an amount on line 2f only if the carryover of the residential construction and remodeling tax credit was claimed for construction or renovation costs for a residential unit that does not constitute business property. Enter the taxable portion on line 10, Columns A and B.

**Note:** *If you are a part-year resident, and you received income tax refunds from other states, and you deducted the taxes paid to the other states as an itemized deduction on a prior year Hawaii return, include these amounts on line 1 of the State Tax Refund Worksheet on page 40.*

If your refund included taxes from any previous year in which you itemized deductions, a similar calculation must be done for each previous year.

If your 2008 Hawaii adjusted gross income was over \$100,000 (\$50,000 for married taxpayers filing separately), you may be able to report a smaller amount of your tax refund as income because your itemized deductions were

reduced in 2008. To compute the proper amount, see federal Publication 525, "Taxable and Nontaxable Income", under *Itemized deductions limited*. In the computation, however, the Hawaii standard deduction amounts must be used, the amount of the refund due to the Hawaii credits listed in the *State Tax Refund Worksheet* is subtracted, and the base amount for the limitation of itemized deductions remains at \$100,000 (\$50,000 for married taxpayers filing separately). If you use this calculation, enter the result on Form N-15, line 10, Columns A and B.

If your 2008 state and local income tax refund is more than your 2008 state and local income tax deduction minus the amount you could have deducted as your 2008 state and local general sales taxes, see federal Publication 525, "Taxable and Nontaxable Income", under *Recoveries*.

## Line 11 Alimony Received

Alimony or separate maintenance payments that you received are taxable income to you. Report this income on line 11. However, if you received payments while you were a nonresident, a special rule may apply. See section 18-235-5-03(e), Hawaii Administrative Rules.

If you received payments under a divorce or separation instrument executed after 1984, see the instructions for line 31 for information on the rules that apply in determining whether these payments qualify as alimony.

Enter in Column A, the amount of alimony received from all sources that would be taxable if you were a full year Hawaii resident.

Nonresidents: Enter in Column B, the amount of alimony received from a contributing spouse who is a resident, and where the payments are attributable to property owned in Hawaii that is transferred (in trust or otherwise) in discharge of a legal obligation to make alimony payments.

Part-year residents: Enter in Column B, the amount of alimony received from all sources for the period of residency; and the amount of alimony received as discussed above for nonresidents for the period of nonresidency.

## Line 12 Business or Farm Income or (Loss)

If you operated a business or practiced a profession as a sole proprietorship (or an entity classified as a sole proprietorship), this line is used to report the net income or loss from the business. Farming income or losses are also reported on this line.

If your business consists of renting property, report it on line 17.

If you receive royalty income, report it on line 17.

Enter your net income or loss. Net income or loss can be calculated on federal Schedules C, C-EZ, or F.

For expenses that are part business and part personal, deduct only the business part. For example, if only half of your car usage was for business, deduct only half of the cost of operating the car. Deduct interest, taxes, and casualty losses not related to your business as itemized deductions. See the instructions for Form N-15, lines 38a to 38f.

Sales, exchanges, and involuntary conversions (including casualty or theft) of trade or business property may give rise to ordinary income or (loss), or capital gain or (loss). Report ordinary income or losses on line 14. Report capital gains or losses on line 13.

**Note:** If you conduct business in Hawaii and another state or country, you determine the Hawaii portion of that business income by using the "three factor formula", which is generally based on the average percentage in Hawaii of your property, payroll, and sales.

Enter in Column A, the amount of business or farm income or (loss) from all sources that would be taxable if you were a full year Hawaii resident. If the amount is a loss, shade the minus (-) in the box to the left of the amount boxes.

Nonresidents: Enter in Column B, the amount of business or farm income or (loss) with situs in Hawaii. If the amount is a loss, shade the minus (-) in the box to the left of the amount boxes.

Part-year residents: Enter in Column B, the amount of business or farm income or (loss) from all sources for the period of residency; and the amount of business or farm income or (loss) with situs in Hawaii for the period of nonresidency. If the amount is a loss, shade the minus (-) in the box to the left of the amount boxes.

## Information Returns

You may have to file information returns for wages paid to employees, certain payments of fees and other non-employee compensation, interest, rents, royalties, annuities, and pensions. For more information, see the instructions for Form HW-3, Employer's Return and Reconciliation of Hawaii Income Tax Withheld from Wages, and N-196, Hawaii Annual Information Return.

## Line 13 Capital Gain or (Loss)

**Note:** Act 166, SLH 2007, provides that for taxable years beginning after December 31, 2007, and ending prior to January 1, 2013, all of the gain realized by a fee simple owner from the sale of a leased fee interest in units within a condominium project, cooperative project, or planned unit development, to the association of apartment owners or the residential cooperative corporation of the leasehold units is exempt from Hawaii income taxes.

Use lines 5 and 13 on the *Capital Gains/Loss Worksheet* on page 40 to reduce the individual's capital gain for these amounts reported on other lines of the *Capital Gains/Loss Worksheet*.

For purposes of this exemption, "fee simple owner" means the person who owns the fee simple title to the land which is leased, including a life tenant with a remainder over, vested or contingent, and a holder of a defeasible estate, and the holder's heirs, successors, legal representatives, and assigns. A fee simple owner includes legal and equitable owners. "Leased fee interest" means all of the interests of the fee owner, lessor, and all legal and equitable owners of the land which is leased, other than the lessee's interest as defined by chapter 516, HRS. "Legal and equitable owners" means the fee simple owner and all persons having legal or equitable interests in the fee or in the lessor's leasehold estate, including mortgagees, developers, lienors, and sublessors, and their respective heirs, successors, legal representatives, and assigns. "Condominium project" means a real estate condominium project; a plan or project whereby a condominium of two or more units located within the condominium property regime have been sold or leased or are offered or proposed to be offered for sale or lease. "Cooperative project" means a real estate cooperative housing corporation project; a plan or project whereby two or more apartments located in a building owned by a cooperative housing corporation have been leased or are offered or proposed to be offered to be leased.

**Note:** Losses sustained from the sale of stocks or other interests issued through the exercise of the stock options or warrants granted by a qualified high technology business are deductible for Hawaii income tax purposes. Also, the sale of stock options or stock, including stock issued through the exercise of stock options or warrants, from a qualified high technology business or from a holding company of a qualified high technology business by an employee, officer, or director of the qualified high technology business, or investor who qualifies for the high technology business investment tax credit is excluded from Hawaii income taxes.

**Note:** The special federal election for capital assets acquired in tax years beginning before January 1, 2001 (election under section 311 of the Taxpayer Relief Act of 1997) is not available for Hawaii income tax purposes.

This line is used to report:

- Gains or losses from the sale or involuntary conversion of capital assets not held for business or profit.
- Capital gain distributions reported on federal Form 1099-DIV.

The capital gains or losses from the following transactions may also be reported on this line, however, complete Schedule D-1 to determine whether the gain or loss is ordinary or capital. Ordinary income or loss is reported on line 14.

- The sale, exchange, or involuntary conversion (other than casualty or theft) of business property, certain depreciable and amortizable property, certain oil, gas and geothermal property, and IRC section 126 property.
- The involuntary conversion (other than casualty or theft) of capital assets held for business or profit.
- The disposition of other assets not mentioned above.

If property is involuntarily converted because of a casualty or theft, use federal Form 4684, *Casualties and Thefts*.

Enter in Column A, the amount of capital gains or losses derived from all sources that would be taxable if you were a full year resident. If the amount is a loss, shade the minus (-) in the box to the left of the amount boxes.

Nonresidents: Enter in Column B, the amount of capital gains or losses on the disposition of capital assets with situs in Hawaii. If the amount is a loss, shade the minus (-) in the box to the left of the amount boxes. Use the *Capital Gain/Loss Worksheet* on page 40 to figure the amount of your capital gains or losses to enter in Column B. Before starting the worksheet, determine your **sales price** and **cost basis** for the capital assets you sold, and the gain or loss you realized for each capital asset.

Part-year residents: Enter in Column B, the amount of capital gains or losses derived from all sources for the period of residency; and the amount of capital gains or losses on the disposition of capital assets with situs in Hawaii for the period of nonresidency. If the amount is a loss, shade the minus (-) in the box to the left of the amount boxes. Use the *Capital Gain/Loss Worksheet* on page 40 to figure the amount of your capital gains or losses to enter in

Column B. Before starting the worksheet, determine your **sales price** and **cost basis** for the capital assets you sold, and the gain or loss you realized for each capital asset.

## Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset. For example, your house, furniture, car, stocks, and bonds are capital assets.

A capital asset as defined by law is any property held by a taxpayer except:

- Stock in trade or other property included in inventory or held for sale to customers.
- Accounts or notes receivable you received for services in the ordinary course of your trade or business or from the sale of any property described in a. or for services you performed as an employee.
- Depreciable property used in your trade or business even if it was fully depreciated.
- Real property (real estate) used in your trade or business.
- A copyright, literary, musical or artistic composition, letter, memorandum, or similar property,
  - created by your personal efforts, or
  - prepared or produced for you (in the case of a letter, memorandum, or similar property), or
  - that you received from a taxpayer mentioned in 1 or 2, in a way (such as by gift) that entitled you to the basis of the previous owner.
- U.S. Government publications (including the Congressional Record) that you received from the government other than by purchase at the normal sales price, or that you got from another taxpayer who had received it in a similar way if your basis is determined by reference to the previous owner.

A transfer of patent rights is generally considered a sale or exchange of a capital asset held for more than one year.

A nonbusiness bad debt must be treated as a short-term capital loss.

## Short-Term or Long-Term

Separate your capital gains and losses according to how long you held or owned the property. The holding period for long-term capital gains and losses is more than one year. The holding period for short-term capital gains and losses is one year or less.

To figure the holding period, begin counting on the day after you received the property and include the day you disposed of it. Use the trade dates for date acquired and date sold for stocks and bonds on an exchange or over-the-counter market.

## Capital Gain Distributions

If a dividend payor, such as a mutual fund company, reports a capital gain distribution to you on Form 1099-DIV, this amount is treated as a long-term capital gain regardless of how long you have held your shares. See federal Publication 550 for more details.

## Limits on Capital Losses

The limit on capital losses that can be applied against other income after offsetting capital gains is \$3,000. If you are married and filing separately, the limit is \$1,500.

Unused capital losses are carried over to later years until fully used (15 years carryforward for qualified high technology businesses).

The amount of your capital loss carryover is the amount of your capital loss that exceeds the lesser of:

- 1) Your allowable capital loss deduction for the year, or
- 2) Your taxable income increased by your allowable capital loss deduction for the year and your deduction for personal exemptions.

If your deductions exceed your gross income for the tax year, use your negative taxable income in computing the amount in item (2).

## Losses That Are Not Deductible

Do not deduct a loss from the sale or exchange of property directly or indirectly between any of the following:

- Members of a family.
- A corporation and an individual or a fiduciary owning more than 50 percent of the corporation's stock (not counting liquidations).
- A grantor and a fiduciary of a trust.
- A fiduciary and a beneficiary of the same trust.
- A fiduciary and a fiduciary or beneficiary of another trust created by the same grantor.

- An individual and a tax-exempt organization controlled by the individual or the individual's family.
- A partnership and a corporation if the same taxpayers own directly or indirectly more than 50% of the capital interest, or profits interest, in the partnership and corporation.

If you sell or otherwise dispose of (1) an asset used in an activity to which the "at-risk" rules apply or (2) any part of your interest in an activity to which the "at-risk" rules apply (see IRC section 465), combine the gain or loss on the disposition with the profit or loss from the activity. If you have a net loss, you may be subject to the "at-risk" provisions.

## Special Cases

The following items may require special treatment:

- Transactions by a securities dealer.
- Wash sales of stock or securities.
- Bonds and other evidence of indebtedness if an original issue discount is a factor.
- Gain on the sale of qualified reinvested dividends from a qualified public utility.
- Certain real estate subdivided for sale which may be considered a capital asset.
- Distributions received from an employee pension, profit-sharing, or stock bonus plan (see Form N-152, Tax on Lump-Sum Distributions).
- Gain on the sale of depreciable property between husband and wife or between shareholder and a controlled corporation treated as ordinary gain.
- Gain on disposition of stock in a Domestic International Sales Corporation.
- Gain or loss on options to buy or sell, including closing transactions.
- Transfer of property to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign trust or partnership.
- Transfer of property to a partnership which would be treated as an investment company if the partnership was incorporated.

## Transfer of Appreciated Property to a Political Organization

If you transfer property to a political organization when the fair market value of the property is more than your adjusted basis, treat the transaction as a property sale on the transfer date. Report the fair market value of the property at the time of the transfer as the sales price. Ordinary income or capital gains provisions apply as if a sale took place.

## Exchange of Like-Kind Property

Report the exchange of "like-kind" property on federal Form 8824, Like-Kind Exchanges, and attach the form to your return. You must report it even though no gain or loss is recognized when you exchange business or investment property for property of "like-kind." (This does not include stock in trade or other property held primarily for sale. It also does not include stocks, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest.)

## Small Business Stock

Subject to limitations, you may deduct the loss on the sale, exchange, or worthlessness of small business stock (IRC section 1244) as an ordinary loss on line 14. However, gains are reported as capital gains on this line.

## Disposition of Business Property

A sale or other disposition of property used in a trade or business, or of an interest in a partnership, may result in either ordinary income or loss, or capital gain or loss. Schedule D-1 should be used to determine whether the gain or loss is ordinary or capital. Ordinary income or loss is reported on line 14.

Also, if the capital goods excise tax credit has been taken on the property, some of the credit may be recaptured. See Form N-312 for further information.

## Sale of Your Home

Use Form N-103 to determine the gain or loss from the sale of your main home.

Report a taxable gain from the sale of your main home as a gain from the sale of a capital asset. A loss from such a sale is not deductible.

You can exclude up to \$250,000 (\$500,000 for certain married persons filing a joint return) of gain from the sale of your main home if both 1 and 2 below apply:

1. You owned and used the home as your main home for 2 years or more during the 5-year period ending on the date you sold or exchanged your home.
2. You have not sold or exchanged another main home during the 2-year period ending on the date of the sale or exchange of your home.



**Note:** Act 133, Session Laws of Hawaii 2009, provides that: (1) the intelligence community employee's duty station can be inside the U.S. for the up-to-ten year testing period suspension for sales or exchanges after June 17, 2008, (2) the election for intelligence community employees to suspend, for up to ten years, the five-year testing period is made permanent, (3) the election to suspend the five-year testing period applies to sales or exchanges by certain Peace Corps employees or volunteers after December 31, 2007, and (4) the gain allocated to periods of nonqualified use will not be excluded from income for sales or exchanges of a principal residence after December 31, 2008.

See the instructions for Form N-103 for further information.

## Installment Sales

If you sold property at a gain, and are to receive any payment in a tax year after the year of sale, you must use the installment method and federal Form 6252, Computation of Installment Sale Income, unless you elect not to. Also use federal Form 6252 if you received a payment in 2009 from a sale made in an earlier year on the installment method.

You may not use the installment method to report income from the sale of stock or securities traded on an established securities exchange. All payments to be received under this type of sale are treated as received in the year of sale.

If you want to elect out of the installment method, you must attach a statement to your return making this election and reporting the full amount of the sale.

## Gains and Losses from Section 1256 Contracts and Straddles

For information on how to report gains and losses from regulated futures contracts and straddles, see federal Form 6781.

## Undistributed Long-term Capital Gains from Regulated Investment Companies

Include in income as a long-term capital gain the amount which constitutes your share of the undistributed capital gains of a regulated investment company. If a regulated investment company informs you that it has undistributed gains and has told you that it has paid tax to the State of Hawaii because of those gains, you may be entitled to a credit that should be claimed on Schedule CR, line 23b.

## Line 14

### Supplemental Gains or (Losses)

In general, this line is used to report:

- The sale, exchange, or involuntary conversion (other than casualty or theft) of business property, certain depreciable and amortizable property, certain oil, gas and geothermal property, and IRC section 126 property.
- The involuntary conversion (other than casualty or theft) of capital assets held for business or profit.
- The disposition of noncapital assets other than inventory or property held primarily for sale to customers in the ordinary course of your business.

Enter in Column A, the amount of ordinary gains or losses derived from all sources that would be taxable if you were a full year resident. If the amount is a loss, shade the minus (-) in the box to the left of the amount boxes.

Nonresidents: Enter in Column B, the amount of ordinary gains or losses on the disposition of assets with situs in Hawaii. If the amount is a loss, shade the minus (-) in the box to the left of the amount boxes.

Part-year residents: Enter in Column B, the amount of ordinary gains or losses derived from all sources for the period of residency; and the amount of ordinary gains or losses on the disposition of assets with situs in Hawaii for the period of nonresidency. If the amount is a loss, shade the minus (-) in the box to the left of the amount boxes.

## Line 15

### IRA Distributions

IRA and Coverdell Education Savings Account (ESA) distributions are not taxable to nonresidents, however, if a nonresident later becomes a resident of Hawaii, the amount of IRA and Coverdell ESA distributions received after acquiring the Hawaii residency status may be taxable.

An IRA includes a traditional IRA, Roth IRA, simplified employee pension (SEP) IRA, and a savings incentive match plan for employees (SIMPLE) IRA.

For more information, see federal Publication 590, Individual Retirement Arrangements (IRAs) and federal Publication 970, Tax Benefits for Education.

Enter in Column A, the amount of IRA and Coverdell ESA distributions that would be taxable if you were a full year resident.

Nonresidents: Enter zero in Column B.

Part-year residents: Enter in Column B, the amount of IRA distributions that would be taxable for the period of residency.

## Line 16

### Pensions and Annuities

**Note:** Effective July 1, 2009, Act 181, Session Laws of Hawaii 2009, imposes the state income tax on rollovers made by state or county employees from certain qualified annuity plans and qualified deferred compensation plans to the state employee retirement system for purposes of purchasing retirement credits.

**Note:** Public Law 104-95, prohibits any state from imposing an income tax on the retirement income of any individual who is not a resident or domiciliary of that state.

Use line 16 to report annuity income that is fully or partially taxable. Also use this line to report distributions from profit-sharing plans and employee-savings plans.

Enter in Column A, the amount that would be taxable if you were a full year resident.

Nonresidents: Enter zero in Column B.

Part-year residents: Enter in Column B, the amount that would be taxable for the period of residency.

### Nontaxable Distributions

#### Employer-Funded Pension Plans

The following three types of distributions are not taxed by Hawaii and do not need to be reported on line 16:

- (1) Pension or annuity distributions from a public (i.e. government) retirement system (e.g. federal civil service annuity, military pension, state or county retirement system).
- (2) Distributions from a private employer pension plan received upon retirement (including early retirement and disability retirement) if the employee did not contribute to the pension plan.
- (3) Distributions from a pension plan at age 70-1/2 that are made to comply with the federal mandatory payout rule do qualify as a retirement payment whether or not the employee is still working full time.

Distributions from a private employer pension plan received upon retirement are partially taxed by Hawaii if the employee contributed to the pension plan.

#### Rollover IRAs

A rollover IRA is treated as a continuation of the original plan that provided the money that is rolled over. If distributions from the original plan would be characterized as a qualified distribution, distributions out of the rollover IRA need not be reported as well.

**Example -** In 1997, an individual received a lump sum distribution from an employer-funded profit-sharing plan upon retirement. The individual did not contribute to the profit-sharing plan. The entire lump sum distribution was rolled over to an IRA. In 2009, the individual rolled over \$50,000 from the IRA to a Roth IRA. The entire amount rolled over to the Roth IRA represents the lump sum distribution received by the individual upon retirement and earnings thereon. Since the lump sum distribution that the individual received upon retirement qualifies as a pension, the amount rolled over from the regular IRA to the Roth IRA also qualifies as a pension. Therefore, the amount rolled over to the Roth IRA is exempt from Hawaii's income tax.

### Taxable Pensions and Annuities

#### Early Distributions

Early distributions from a pension plan that are subject to the 10 percent federal penalty tax do not qualify and are taxable. If you are receiving an early distribution, include the gross amount in line 16, Column A.

#### Deferred Compensation Plans

Distributions from a deferred compensation plan may be fully or partly taxable. A deferred compensation plan includes any plan in which the employee has a choice of whether to contribute money into the plan or take that amount in cash or property. Examples include 401(k) plans, salary reduction Simplified Employee Pension (SARSEP) plans, the Federal Thrift Savings Plan, and section 457 plans like the State of Hawaii Deferred Compensation Plan. Attach Schedule J (Form N-11/N-15/N-40) to figure the taxable amount to include in line 16, Column A.

#### Annuity Plans

Retirement vehicles that you fund yourself, such as annuity plans and Individual Retirement Accounts (IRAs) that are not funded through a Simplified Employee Pension (SEP) plan, are considered to be your own investments.

Distributions from these plans may be fully or partly taxable, depending on whether your IRAs include deductible or nondeductible contributions. Attach Schedule J (Form N-11/N-15/N-40) to figure the taxable amount to include in line 16, Column A.

### Rollover IRAs

A rollover IRA is treated as a continuation of the original plan that provided the money that is rolled over. If distributions from the original plan would be characterized as taxable, distributions out of the rollover IRA would be taxable as well. Attach Schedule J (Form N-11/N-15/N-40) to figure the taxable amount to include in line 16, Column A.

**Example** - In 1997, an individual received a lump sum distribution from an employer-funded profit-sharing plan upon separation from service before retirement. The individual did not contribute to the profit-sharing plan. The entire lump sum distribution was rolled over to an IRA. In 2009, the individual rolled over \$50,000 from the IRA to a Roth IRA. The entire amount rolled over to the Roth IRA represents the lump sum distribution received by the individual upon separation from service and earnings thereon. Since the lump sum distribution that the individual received upon separation from service does not qualify as a pension (the distribution is not paid upon retirement, disability, or death), the amount rolled over from the regular IRA to the Roth IRA also does not qualify as a pension. Therefore, the amount rolled over to the Roth IRA is taxable for Hawaii's income tax.

### Hybrid Plans

If you received a distribution from a plan that is partly pension and partly deferred compensation, such as a 401(k) plan with a profit sharing component or an employer matching program, a SEP plan with employer contributions as well as a salary reduction option, or a similar hybrid plan, attach Schedule J (Form N-11/N-15/N-40) to figure the taxable amount to include in line 16, Column A.

### Lump-Sum Distributions

If you received a lump-sum distribution from a pension plan and you are electing to use the special ten-year averaging method, attach Schedule J (Form N-11/N-15/N-40) and Form N-152, Tax on Lump Sum Distributions, to figure the taxable amount.

**Note:** If your lump-sum distribution included capital gain amounts, you may be able to reduce your tax by including the capital gain amounts on Form N-152 and electing the capital gains treatment. See Form N-152 Instructions for more information.

**Caution:** Certain transactions, such as loans against your interest in a qualified plan, may be treated as taxable distributions.

For more information on the taxation of pensions, see sections 18-235-7-01 to 18-235-7-03, Hawaii Administrative Rules, Tax Information Release No. 90-4, "Taxability of Benefit Payments from Pension Plan to Participants who Attain Age 70-1/2 as Required by the Internal Revenue Code Section 401(a)(9)(C)", and Tax Information Release No. 96-5, "Taxation of Pensions Under the Hawaii Net Income Tax Law: Deferred Compensation Arrangements; Rollover IRAs; Sub-Accounts of Pension Plans; Social Security and Railroad Retirement Act Benefits; Limitation on Deductions for Contributions to a Nonqualified Plan".

## Line 17

### Rents, Royalties, Partnerships, Estates or Trusts

Enter your net income or loss from rents, royalties, partnerships, S corporations, estates, trusts, and REMICs. Net income or loss can be calculated on federal Schedule E.

Enter in Column A, the net income or loss from rents, royalties, partnerships, S corporations, estates, trusts, and REMICs from all sources that would be taxable if you were a full year resident. If the amount is a loss, shade the minus (-) in the box to the left of the amount boxes.

Nonresidents: Enter in Column B, the net income or loss from rents, royalties, partnerships, S corporations, estates, trusts, and REMICs with situs in Hawaii. If the amount is a loss, shade the minus (-) in the box to the left of the amount boxes.

Part-year residents: Enter in Column B, the net income or loss from rents, royalties, partnerships, S corporations, estates, trusts, and REMICs from all sources for the period of residency; and the net income or loss from rents, royalties, partnerships, S corporations, estates, trusts, and REMICs with situs in Hawaii for the period of nonresidency. If the amount is a loss, shade the minus (-) in the box to the left of the amount boxes.

**Note:** The paying entity may send you a Hawaii Schedule K-1 that will tell you how much income was Hawaii source income; if it does not, you still need to find this information out from the paying entity. For part-year residents, if you are unable to determine how much was earned during the

period of residency, prorate it over the year. For example, if a part-year resident was a resident for 4 months and was told by a partnership that the resident's share of income was \$45,000, out of which \$15,000 was Hawaii source income, then the taxable portion would be \$15,000 Hawaii source income plus one-third (4 months / 12 months) of the non-Hawaii source income of \$30,000 (\$45,000 - \$15,000), for a total of \$25,000 (\$15,000 + 1/3 of \$30,000).

## Line 18

### Unemployment Compensation

**Note:** At the present time, Hawaii has not adopted the federal provision which provides that for any tax year beginning in 2009, each recipient of unemployment compensation can exclude from gross income up to \$2,400 of the amount he or she received during the year.

Unemployment compensation (insurance) you received is taxable.

You should receive federal Form 1099-G, or similar statement, showing the total unemployment compensation paid to you during the year. For payments in 2009 you should receive this statement by January 31, 2010.

**Note:** Supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund are wages. They are not considered unemployment compensation. Report these benefits on Form N-15, line 7.

Enter in Column A, the amount of unemployment compensation received from all sources.

Nonresidents: Enter in Column B, the amount of unemployment compensation received from Hawaii.

Part-year residents: Enter in Column B, the amount of unemployment compensation received from all sources for the period of residency; and the amount of unemployment compensation received from Hawaii for the period of nonresidency.

## Line 19

### Other Income

Use line 19 to report any income you can't find a place for on your return or other schedules. Also show the nature and source of the income.

**Caution:** Do not report any income from self-employment on line 19. If you do have any income from self-employment, you must report it on line 12.

**Examples of income to be reported on line 19 are:**

- **Prizes, awards and gambling winnings.** Proceeds from lotteries, raffles, etc., are gambling winnings. You must report the full amount of your winnings on this line. You cannot offset losses against winnings and report the difference.
- **Repayment of items that you deducted in an earlier year,** such as medical expenses or real estate taxes, if the deduction reduced your tax.
- Amounts you recovered on **bad debts** that you deducted in an earlier year.
- **Fees received for jury duty and precinct election board duty.** These fees are taxable, but you may be able to deduct part or all of your jury duty pay if you were required to turn it over to your employer. See the instructions for line 35 on page 20.
- **Individual Housing Account (IHA) distributions.** If you purchased a principal residence with an Individual Housing Account (IHA), or you are notified by an IHA trustee that you have received a taxable distribution, report the taxable amount on line 19.

If you purchased residential property before January 1, 1990, with a distribution from an IHA, you must include in gross income in the year the property is sold, conveyed, or transferred an amount equal to the amount of the distribution, unless an election was made to include one-tenth of the distribution in gross income each year for ten years. In addition, a penalty is added to your gross income. Attach Form N-103, Sale of Your Home, to figure the additional gross income.

If you purchased residential property after December 31, 1989, you must include in gross income one-tenth of the distribution each year for ten years. If you sell the property purchased with an IHA distribution before the end of the ten-year period, the remaining amount of the distribution not previously reported must be included in gross income in the year of sale. In addition, a penalty is added to your tax liability. Attach Form N-103, Sale of Your Home, to figure the additional tax liability.

If you purchased residential property after December 31, 1996, with a distribution from an IHA established prior to January 1, 1990, and you have made the election to do so, you must include in gross income in the year the property is sold, conveyed, or transferred an amount equal to the amount of the distribution. In addition, a penalty is added to your gross

income. Attach Form N-103, Sale of Your Home, to figure the additional gross income.

If you use an IHA distribution for any purpose other than to purchase a first principal residence in Hawaii, or if you borrow against the IHA for such a purpose, the distribution (or the loan amount) is taxable, and a 10% penalty tax is imposed. The additional tax is the same amount shown in Box 4 of Form N-2, Distribution from an Individual Housing Account, and must be included on line 44.

If you establish an IHA and later marry a person owning residential property, the IHA will terminate and distribute all of the assets to you. In this case, you must include the total distribution in your gross income. No penalty tax is imposed, but the 10% is still withheld. Be sure to claim the withheld amount on line 47.

If an individual establishes an IHA and then dies or becomes totally disabled, special rules apply. For more information, see sections 18-235-5.5(r) and (s), Hawaii Administrative Rules.

- **Scholarships and Fellowships.** If you received a scholarship or fellowship that was granted after August 16, 1986, part or all of it may be taxable even if you didn't receive a federal W-2 form. If you were a degree candidate, the amounts you used for expenses other than tuition and course-related expenses are taxable. For example, amounts used for room, board, and travel are taxable. If you were not a degree candidate, the full amount of the scholarship or fellowship is taxable. Include the taxable amount on line 19.
- **Taxable medical savings account distributions.** Distributions from medical savings accounts which were used for purposes other than medical expenses are taxable.
- **Qualified state tuition program distributions not used to pay for qualified higher education expenses.**

Hawaii has adopted the federal provisions relating to the qualified tuition programs (also known as a 529 program) except for the 10% tax on distributions not used for educational expenses. A qualified tuition program (QTP) is a program set up to allow you to either prepay, or contribute to an account established for paying, a student's qualified higher education expenses at an eligible educational institution. A program can be established and maintained by a state, an agency or instrumentality of a state, or an eligible educational institution. You cannot deduct either payments or contributions to a QTP.

The part of a distribution representing the amount paid or contributed to a QTP is not included in income. This is a return of the investment in the program.

The beneficiary generally does not include in income any earnings distributed from a QTP established and maintained by a state, an agency or instrumentality of a state, or an eligible educational institution if the total distribution is less than or equal to adjusted qualified higher education expenses. However, the beneficiary must include in income any earnings distributed before January 1, 2004, from a QTP established and maintained by an eligible educational institution.

For more information, see federal Publication 970, Tax Benefits for Education.

- **Taxable health savings account distributions.** Distributions from health savings accounts which were used for purposes other than medical expenses are taxable.
- **Net operating loss.—**

**Note:** *At the present time, Hawaii has not adopted the federal net operating loss carryback provision of the American Recovery and Reinvestment Act of 2009.*

If, in 2009, your business or profession lost money, or you had a casualty loss, or a loss from the sale or other disposition of depreciable property or real property used in your trade or business, you can apply the losses against your 2009 income. If the losses exceed your income, the excess is a "net operating loss".

In general, net operating losses arising in taxable years beginning after August 5, 1997, may be used to reduce your income for the 2 years before 2009 and the 20 years after, or you may elect to use it to reduce your income for the 20 following years without carrying the loss to the 2 prior years. The portion of a net operating loss for a tax year that's an "eligible loss" may be carried back to the 3 preceding tax years. In the case of an individual, eligible losses are property losses arising from fire, storm, shipwreck, or other casualty, or from theft. In the case of a taxpayer that's a small business (a sole proprietorship whose average annual gross receipts are \$5 million or less for the tax year in which the loss arose), or engaged in the trade or business of farming, eligible losses are net operating losses attributable to Presidentially declared disasters.

If you carryback the loss and are due a refund from the carryback, you must file an amended return on Form N-15. Nonresidents and part-year residents

cannot file Form N-109, Application for Tentative Refund from Carryback of Net Operating Loss. A separate amended Form N-15 must be completed for each year you request an adjustment. For more information on filing an amended return on Form N-15, see page 33.

If you elect to carry the loss forward instead, you must attach a statement to this effect on a timely filed return (including extensions). If you make such an election, it cannot be changed later.

If you had a loss in a prior year to carry forward to 2009; enter it on line 19 and shade the minus (-) in the box to the left of the amount boxes. Attach a separate sheet showing how you figured the amount.

**Note:** *Although nonresidents and part-year residents cannot file Form N-109, Schedule A (Form N-109) may be used to figure the amount of the net operating loss that is available for carryback or carryforward.*

## Line 20

### Total Income

Add the amounts in Column A and B for lines 7 through 19. If any of these amounts are negative, first add all the positive amounts. Next, add all the negative amounts. Then, subtract the total of the negative amounts from the total of the positive amounts and enter the result on line 20. If the result is negative, shade the minus (-) in the box to the left of the amount boxes.

## Adjustments to Income

### Line 21

#### Educator Expenses

If you were an eligible educator in 2009, you can deduct up to \$250 of qualified expenses you paid in 2009. If you and your spouse are filing jointly and both of you were eligible educators, the maximum deduction is \$500. However, neither spouse may deduct more than \$250 of his or her qualified expenses. An eligible educator is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide in a school for at least 900 hours during a school year.

Enter in Column A, the same amount allowed on your federal return as an educator expenses deduction.

Nonresidents and part-year residents: Compute your allowable deduction for Column B as follows:

- 1) Divide your total eligible educator income subject to taxation in Hawaii by the total eligible educator income computed without regard to source.
- 2) Multiply the resulting percentage by the deduction allowed on your federal return.

For more information, see the instructions to federal Form 1040.

### Line 22

#### Certain Business Expenses of Reservists, Performing Artists, and Fee-Basis Government Officials

If you are a member of a reserve component of the Armed Forces of the United States and you travel more than 100 miles away from home in connection with your performance of services as a member of the reserves, you can include your expenses for reserve travel over 100 miles from home, up to the federal rate, from line 10 of federal Form 2106 or line 6 of federal Form 2106-EZ on line 22.

If you are a qualified performing artist, you can include your performing-arts-related-expenses from line 10 of federal Form 2106 or line 6 of federal Form 2106-EZ on line 22.

If you are a fee-basis state or local government official, include your employee business expenses from line 10 of federal Form 2106 or line 6 of federal Form 2106-EZ on line 22.

Enter in Column A, the same amount allowed on your federal return as a deduction for certain business expenses of reservists, performing artists, and fee-basis government officials.

Nonresidents and part-year residents: Compute your allowable deduction for Column B as follows:

- 1) Divide your total reservists, performing artists, and fee-basis government officials income subject to taxation in Hawaii by the total reservists, performing artists, and fee-basis government officials income computed without regard to source.
- 2) Multiply the resulting percentage by the deduction allowed on your federal return.



For more information, see the instructions for federal Form 1040 and federal Form 2106. Complete and attach federal Form 2106 or federal Form 2106-EZ to your return.

## Line 23

### Individual Retirement Arrangements (IRAs)

Enter the combined amount of your IRA deduction and your spouse's IRA deduction.

**Note:** You cannot deduct contributions to a Roth IRA or a Coverdell ESA.

Enter in Column A, the same amount allowed on your federal return as an IRA deduction.

Nonresidents and part-year residents: Compute your allowable deduction for Column B as follows:

- 1) Divide your total earned income subject to taxation in Hawaii by the total earned income computed without regard to source.
- 2) Multiply the resulting percentage by the deduction allowed on your federal return.

For more information, see the instructions for federal Form 1040.

## Line 24

### Student Loan Interest Deduction

You may take this deduction only if **ALL** four of the following apply.

1. You paid interest in 2009 on a qualified student loan (see below).
2. Your filing status is any status except married filing separately.
3. Your Hawaii modified adjusted gross income (AGI) is less than: \$65,000 if single, head of household, or qualifying widow(er); \$130,000 if married filing jointly.
4. You are not claimed as a dependent on someone's (such as your parent's) 2009 tax return.

If you paid interest on a qualified education loan (see below), you may be able to deduct up to \$2,500 of the interest on this line.

**Qualified student loan.** This is any loan you took out to pay the qualified higher education expenses for yourself, your spouse, or anyone who was your dependent when the loan was taken out. The person for whom the expenses were paid must have been an eligible student. However, a loan is not a qualified student loan if (a) any of the proceeds were used for other purposes or (b) the loan was from either a related person or a person who borrowed the proceeds under a qualified employer plan or a contract purchased under such a plan. To find out who is a related person, see federal Publication 970.

**Qualified higher education expenses** generally include tuition, fees, room and board, and related expenses such as books and supplies. The expenses must be for education in a degree, certificate, or similar program at an eligible educational institution. An eligible educational institution includes most colleges, universities, and certain vocational schools. You must reduce the expenses by the following benefits:

- Employer-provided educational assistance benefits that are not included in box 1 of your federal W-2 form(s).
- Excludable U.S. Series EE and I savings bond interest from federal Form 8815.
- Nontaxable qualified state tuition program earnings.
- Nontaxable earnings from Coverdell ESA.
- Any scholarship, educational assistance allowance, or other payment (but **not** gifts, inheritances, etc.) excluded from income.

For more details on these expenses, see federal Publication 970.

An **eligible student** is a person who:

- Was enrolled in a degree, certificate, or other program (including a program of study abroad that was approved for credit by the institution at which the student was enrolled) leading to a recognized educational credential at an eligible educational institution, and
- Carried at least half the normal full-time workload for the course of study he or she was pursuing.

**How To Figure the Deduction.** Use the *Student Loan Interest Deduction Worksheet* on page 44 to figure your deduction.

## Line 25

### Health Savings Account Deduction

Enter in Column A, the same amount allowed on your federal return as a health savings account deduction.

Nonresidents and part-year residents: Compute your allowable deduction for Column B as follows:

- 1) Divide your total earned income subject to taxation in Hawaii by the total earned income computed without regard to source.
- 2) Multiply the resulting percentage by the deduction allowed on your federal return.

For more information, see the instructions for federal Form 1040.

## Line 26

### Moving Expenses

Employees and self-employed persons (including partners) can deduct certain moving expenses.

You can take this deduction if you moved in connection with your job or business and your new workplace is at least 50 miles farther from your old home than your old home was from your old workplace. If you had no former workplace, your new workplace must be at least 50 miles from your old home.

A nonresident may only deduct expenses connected with a move to or within the State of Hawaii. Hawaii allows a moving expense deduction for animal quarantine costs (up to 120 days) incurred.

A nonresident or a part-year resident giving up their Hawaii residency may not deduct moving expenses to a new place of employment outside the State of Hawaii. In this situation, zero should be entered on line 26, Column B.

For more details, see Form N-139. Complete and attach the form to your return.

## Line 27

### One-half of Self-Employment Tax

If you are self-employed, you will be able to deduct as a business expense 50% of the amount of self-employment taxes paid for the tax year.

Enter in Column A, the same amount allowed on your federal return as a deduction for self-employment tax.

Nonresidents and part-year residents: Compute your allowable deduction for Column B as follows:

- 1) Divide your total self-employment income subject to taxation in Hawaii by the total self-employment income computed without regard to source.
- 2) Multiply the resulting percentage by the deduction allowed on your federal return.

For more information see the instructions for federal Form 1040.

## Line 28

### Self-Employed Health Insurance Deduction

If you are self-employed, you will be able to deduct as a business expense 100% of the amount you pay for medical insurance covering yourself, your spouse, and your dependents provided that your net earned income from your Hawaii business is at least equal to the deduction.

However, if in addition to running your own business, you are an employee of another person, you will not be able to deduct the medical insurance costs you pay if you are eligible to participate in a plan maintained by your employer. This is also true even if it is your spouse who is employed and you are eligible to participate in your spouse's company plan.

For the period of nonresidency, the following limitations may also apply to your health insurance deduction:

- Only the amount paid for medical insurance coverage for the period you were self-employed within Hawaii is eligible for the deduction.
- The net earned income from your Hawaii business must be at least equal to the deduction.

For more information, see the instructions for federal Form 1040.

## Line 29

### Self-Employed SEP, SIMPLE, and Qualified Plans

**Caution:** You must have earnings from self-employment to claim this deduction. Sole proprietors and partners enter the allowable deduction for contributions to your SEP, SIMPLE, and qualified plans (H.R. 10 plans or Keogh plans) on line 29.

There are two types of Keogh (H.R. 10) retirement plans:

- **Defined-contribution plan.** — This plan provides an individual account for each person in the plan. In general, if contributions to the plan are geared to the employer's profits, the plan is a profit-sharing plan. If contributions are not based on the employer's profits, the plan is a money purchase pension plan.

• **Defined-benefit plan.** — The deduction for this type of plan is determined by the investment needed to fund a specific benefit at retirement age. Write “DB” on the line to the left of the amount if you have a defined-benefit plan. Enter in Column A, the same amount allowed on your federal return as a SEP, SIMPLE, and qualified plan deduction.

Nonresidents and part-year residents: Compute your allowable deduction for Column B as follows:

- 1) Divide your total self-employment income subject to taxation in Hawaii by the total self-employment income computed without regard to source.
- 2) Multiply the resulting percentage by the deduction allowed on your federal return.

For more information, see the instructions for federal Form 1040.

## Line 30

### Interest Penalty on Early Withdrawal of Savings

The federal Form 1099-INT given to you by your bank or savings and loan association will show the amount of any interest penalty you were charged because you withdrew funds from your time savings deposit before its maturity. Enter this amount on line 30, Column A. (Be sure to include the interest income on Form N-15, line 8, Column A.)

The penalty cannot be deducted on your Hawaii return if none of the interest from the account was taxable as Hawaii income. If part of the interest was from an account that was taxable as Hawaii income, compute your allowable deduction as follows:

- 1) Divide the amount of interest received on that account subject to taxation in Hawaii by the total interest received on that account.
- 2) Multiply the resulting percentage by the total penalty charged to that account.

Enter this amount on line 30, Column B. (Be sure to include the taxable interest income on Form N-15, line 8, Column B.)

## Line 31

### Alimony Paid

You can deduct (subject to Department of Taxation Rules) periodic payments of alimony or separate maintenance made under a court decree. You can also deduct payments made under a written separation agreement or a decree for support. Don't deduct lump-sum cash or property settlements, voluntary payments not made under a court or a written separation agreement, or amounts specified as child support.

If you paid alimony to one person, enter the name and social security number of the recipient in the space to the left of line 31.

If you paid alimony to more than one person, enter the social security number of one of the recipients. Show the social security number(s) and the amount paid to the other recipient(s) on an attached statement. Enter your total payments on line 31.

Generally, you may deduct any payment made in cash to, or on behalf of, your spouse or former spouse under a divorce or separation instrument executed after 1984 if **ALL** 5 of the following apply:

- 1) The instrument does not prevent the payment from qualifying as alimony.
- 2) You and your spouse or former spouse did not live together when the payment was made if you were separated under a decree of divorce or separate maintenance.
- 3) You are not required to make any payment after the death of your spouse or your former spouse.
- 4) The payment is not treated as child support.
- 5) For instruments executed in 1985 or 1986, the minimum term rule is met.

If your alimony payments decrease or terminate during the first 3 calendar years, you may be subject to the recapture rule.

Deduction from gross income for alimony and separate maintenance payments shall be allowed only to the extent of the ratio of gross income attributed to this State to the entire gross income computed without regard to source in this State; provided that as used in this sentence “gross income” means gross income as defined in the Internal Revenue Code, minus the deductions defined in section 62 of the Internal Revenue Code, other than the deductions for alimony and separate maintenance payments.

Example:	Total Income	Hawaii Income
Amount after allowable deductions (Form N-15, page 3, line 36)*	\$100,000	\$60,000
Computation for allowable alimony deduction: \$ 60,000 / \$100,000 = 60% x \$10,000 = \$6,000		
Alimony paid (Form N-15, page 2, line 31)	\$10,000	\$6,000
*Excluding amount paid for alimony.		

For more information see federal Publication 504, Tax Information for Divorced or Separated Individuals.

## Line 32

### Payments to an Individual Housing Account

You may be able to deduct from your gross income up to \$5,000, paid in cash during the taxable year into a trust account which is established for savings for a down payment on your first principal residence in Hawaii. A deduction not to exceed \$10,000 shall be allowed for a married couple filing a joint return. No deduction shall be allowed on any amounts distributed less than 365 days from the date on which a contribution is made to the account. Any deduction claimed for a previous taxable year for amounts distributed less than 365 days from the date on which a contribution was made shall be disallowed and the amount deducted shall be included in the previous taxable year's gross income and the tax reassessed. The account, established along the same lines as an individual retirement account (IRA), is to encourage first-time home buyers to save money for a down payment on a home. The interest income earned on the account within the taxable year shall not be included in gross income.

The “first principal residence” means a residential property purchased with the payment or distribution from the individual housing account which shall be owned and occupied as the only home by an individual who did not have any previous interest in, individually, or if the individual is married, whose spouse did not have any interest in a residential property inside or outside the State of Hawaii within the last 5 years prior to opening the IHA.

The amounts paid in cash allowable as a deduction for all taxable years are limited to \$25,000, in the aggregate, excluding interest earned or accrued. This limitation also applies to married individuals having separate accounts, the sum of such separate accounts and the deduction shall not exceed \$25,000 in the aggregate, excluding interest income earned or accrued.

Other requirements:

- The trustee must be a qualified bank, savings and loan association, credit union, or depository financial services loan company. Check with your financial institution if it is a qualified institution under Hawaii IHA rules.
- The entire interest of the trust account shall be distributed to the taxpayer(s) not later than 120 months after the date on which the first contribution is made to the trust.

Enter the amount of your payments to an IHA in Columns A and B.

For more information, see section 18-235-5.5, Hawaii Administrative Rules.

## Line 33

### Military Reserve or Hawaii National Guard Duty Pay Exclusion

The first \$5,609 received by each member of the reserve components of the army, navy, air force, marine corps, coast guard of the United States of America, and the Hawaii national guard, as compensation for performance of duty as such is not taxable for Hawaii net income tax purposes but limited to that income that would have been subject to taxation in Hawaii.

If you qualify, enter in Columns A and B the smaller of:

- \$5,609, or
- Your pay, as shown on Box 16 of the Form W-2 sent to you by your reserve component.

If you are married filing a joint return, and you and your spouse qualify, add the exclusions for both of you and enter the total on line 33, Columns A and B.

## Line 34

### Exceptional Trees Deduction

You may deduct up to \$3,000 per exceptional tree for qualified expenditures you made during the taxable year to maintain the tree on your private property. The tree must be designated as an exceptional tree by the local county arborist advisory committee under chapter 58, HRS. Qualified expenditures are those expenses you incurred to maintain the exceptional tree (excluding interest) that are deemed “reasonably necessary” by a certified arborist. No deduction is allowed in more than one taxable year out of every three consecutive taxable years. The deduction is allowed for amounts paid in taxable years beginning after December 31, 2003.

An affidavit signed by a certified arborist stating that the amount of expenditures are deemed reasonably necessary must be attached to your tax return. The affidavit also must include the following information: (1) type of tree, (2) location of tree, and (3) description and amount of expenditures made in 2009 to maintain the tree. The affidavit must be notarized.

Enter the amount of qualified expenditures you made during 2009 in Columns A and B.

## Line 35

### Total Adjustments

Add lines 21 through 34. Enter the total on this line. Include in the total on line 35:

- Contributions to an Archer MSA. You may claim the same amount allowed on your Federal return as an Archer MSA deduction. Include the contributions you made during 2009 and write in the total on Form N-15, line 35 "Archer MSA Deduction" in the space to the left of the total.
- Contributions by an individual development account (IDA) holder to their IDA. Include the contributions made during 2009 and write in the total on Form N-15, line 35 "IDA Contribution" in the space to the left of the total.
- Jury duty pay you are required to give to your employer because your employer continues to pay your salary while you serve on the jury. Include the amount you repaid during 2009 and write in the total on Form N-15, line 35 "Jury Pay" in the space to the left of the total.
- Attorney fees and court costs paid after October 22, 2004, for actions settled or decided after that date involving certain unlawful discrimination claims, but only to the extent of gross income from such actions. Include the attorney fees and court costs paid during 2009 in the total on line 35 and write "UDC" in the space to the left of the total. For more information, see federal Publication 525.
- Attorneys' fees and costs relating to whistleblower rewards paid for providing information regarding violations of the tax laws on or after December 20, 2006. Include the attorney fees and costs paid during 2009 in the total on line 35 and write "WBF" in the space to the left of the total.

## Line 36

### Adjusted Gross Income

Line 20 minus line 35. If line 36 is less than zero (0), you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see Form N-109.

If line 36 is a negative number, shade the minus (-) in the box to the left of the amount boxes.

## Deductions and Taxable Income Computation

### Line 37

#### Ratio of Hawaii AGI to Total AGI

Divide line 36, Column B, by line 36, Column A. Compute the ratio to 3 decimal places and round it to 2 decimal places. For example, line 36, Column A is \$90,000; and line 36, Column B is \$60,000. The ratio of Hawaii AGI to total AGI is 0.67 ( $60,000/90,000 = 0.666$  rounded to 0.67).

**Note:** If line 36, Column A is zero or a negative number (loss) and line 36, Column B is a positive number, enter 1.00 on line 37. If line 36, Column B is zero or a negative number (loss), enter zero on line 37. If both line 36, Columns A and B are negative numbers (losses), enter zero on line 37. If line 36, Column B is greater than line 36, Column A, enter 1.00 on line 37. If Column A is not completed, enter zero on line 37.

**Note:** If you can be claimed as a dependent on another person's return fill in the oval under line 37. Complete the worksheet on page 26 and enter the appropriate amount on line 40a if you do not itemize your deductions.

## Lines 38a to 38f

### Itemized Deductions

Taxpayers who itemize their deductions may deduct certain kinds of expenses from their adjusted gross income.

Taxpayers who do not itemize their deductions may reduce their adjusted gross income by the amount of the prorated standard deduction appropriate to their filing status. The amount of the prorated standard deduction is determined on lines 40a and 40b.

You will fall into one of the three classes below:

- You MUST itemize deductions,
- You choose to itemize, or
- You do not itemize.

The three classes are described as follows:

### You MUST Itemize Deductions

You must itemize deductions if:

- You are married, filing a separate return, and your spouse itemizes.

- You are making a return under IRC section 443(a)(1) for a period of less than 12 months on account of a change in your annual accounting period.
- You were a nonresident alien or dual-status alien during the taxable year.

### You Choose to Itemize

You may choose to itemize your deductions if you are:

- Married and filing a joint return, or a Qualifying widow(er) with dependent child, and your itemized deductions are more than \$4,000 multiplied by your ratio of Hawaii AGI to Total AGI.
- Married and filing a separate return, or Single, and your itemized deductions are more than \$2,000 multiplied by your ratio of Hawaii AGI to Total AGI.
- A Head of Household, and your itemized deductions are more than \$2,920 multiplied by your ratio of Hawaii AGI to Total AGI.
- A dependent of another taxpayer and your itemized deductions are more than the greater of (1) \$500; or (2) your earned income up to the amount of the standard deduction for your filing status; multiplied by your ratio of Hawaii AGI to Total AGI.

### You Do Not Itemize

If your itemized deductions are less than the prorated standard deduction amount for your filing status (or you choose not to itemize), go to line 40a and enter your standard deduction amount there (unless you MUST itemize as described earlier).

If you itemize, you can deduct part of your medical and dental expenses, and amounts you paid for certain taxes, interest, contributions, casualty and theft losses, and other miscellaneous expenses. These deductions are explained on the pages that follow.

Please note that a nonresident (i.e., a U.S. resident who is not a resident of Hawaii, a nonresident alien or a dual status alien) and a part-year resident (for the period of nonresidency) may not be allowed a deduction at all or allowed a deduction only in part even if such a deduction is otherwise provided for in the law.

A deduction is not allowed at all if it can be tied to a specific investment, property, or activity carried on outside Hawaii, or which results in income which is not subject to taxation by Hawaii. Examples include income taxes paid to a state other than Hawaii on wages earned as an active duty serviceman stationed in Hawaii and mortgage interest connected with property located outside Hawaii.

A deduction may be allowed either in full or in part depending on which of the following three classes of deductions it falls in.

**Class I:** If the deduction is connected with income arising in Hawaii and taxable to a nonresident under Hawaii income tax law, it is allowed in full.

Deductions in this class include:

- (a) All the ordinary and necessary expenses of conducting a business;
- (b) Income tax paid to Hawaii;
- (c) Interest paid in connection with taxable income;
- (d) Casualty losses incurred in a trade or business; and
- (e) Losses sustained in transactions entered into for profit in real property and tangible personal property.

**Class II:** If the deduction is connected with property (other than property associated with income arising in Hawaii falling in Class I) having a tax situs in Hawaii, it is allowable in full. Deductions in this class include:

- (a) Real property tax on a residence located in Hawaii;
- (b) Interest on a mortgage connected with property located in Hawaii; and
- (c) Casualty and theft losses on nonbusiness property located in Hawaii allowed only to the extent that the total losses, after the \$100 deduction, exceed 10% of the adjusted gross income.

**Class III:** If a deduction allowed under Hawaii law is not tied to a specific investment, property, or activity carried on outside Hawaii or which results in income not subject to taxation by Hawaii, and does not fall in either Class I or II above, it is allowed only to the extent of the ratio of adjusted gross income attributable to Hawaii to the total adjusted gross income attributable to worldwide sources. Deductions in this class include:

- (a) Medical expenses; and
- (b) Contributions.

If you do itemize, your deductions are generally figured on *Worksheets NR-1 to NR-6* on page 41 if you are a nonresident, or on *Worksheets PY-1 to PY-6* on page 42 if you are a part-year resident. Enter the amounts on Form N-15, lines 38a to 38f.



## Line 38a

### Medical and Dental Expenses

Before you can figure your total deduction for medical and dental expenses, you must complete your Form N-15 through line 37.

Only that part of your medical and dental expenses that is more than 7.5% of your Hawaii adjusted gross income is deductible.

Include medical and dental bills you paid for:

- Yourself;
- Your spouse;
- All dependents you list on your return;
- Your child whom you do not claim as a dependent because of the rules explained on page 9 for *Children of Divorced or Separated Parents*; and
- Any person that you could have listed as a dependent on your return if that person had not received \$3,650 or more of gross income or had not filed a joint return.

**Example** — You gave more than half of your mother's support but cannot list her as a dependent because she received \$3,650 of wages during 2009. If part of your support was the payment of her medical bills, you can include that part in your medical expenses.

You should include all amounts you paid during 2009, but do not include amounts repaid to you, or paid to anyone else, by hospital, health or accident insurance, or your employer, or paid through a medical savings account or health savings account.

### Examples of Medical and Dental Payments You CAN Deduct

To the extent you were not reimbursed, you can deduct what you paid for:

- Qualified long-term care services.
- Premiums for qualified long-term care contracts, subject to dollar limitations based on a person's age. See the federal instructions to Form 1040 for the dollar limits.
- Hospital, medical, dental, and extra Medicare (Medicare B) insurance.
- Prescription drugs and insulin.
- Medical doctors, dentists, eye doctors, gynecologists, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths the doctor ordered.
- Nursing help. If you pay someone to do both nursing and housework, you can deduct only the cost of nursing help.
- Hospital care (including meals and lodging), clinic costs, lab fees.
- Medical treatment at a center for drug addicts or alcoholics.
- Medical aids such as hearing aids (and batteries), false teeth, eyeglasses, contact lenses, braces, orthopedic shoes, crutches, wheelchairs, guide dogs and the cost of maintaining the dogs.
- Ambulance service and other travel costs to get medical care. If you used your own car, you can claim what you spent for gas and oil to go to and from the place you received medical care; or you can claim 24 cents a mile. Add parking and tolls to the amount you claim under either method.
- Cosmetic surgery or procedure that is necessary to correct a deformity arising from, or directly related to:
  - a congenital abnormality;
  - a personal injury resulting from an accident or trauma; or
  - a disfiguring disease.

### Examples of Medical and Dental Payments You CANNOT Deduct

You cannot deduct the following:

- The basic cost of Medicare Insurance (Medicare A).

**Note:** If you are 65 or over and are not entitled to social security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.
- Life insurance or income protection policies.
- The 1.45% hospital insurance benefits tax withheld from your pay as part of the social security tax or paid as part of the self-employment tax.
- Nursing care for a healthy baby. (Part-year residents may qualify for the child care credit; see Schedule X, Part III.)
- Illegal operations or drugs.
- Nonprescription medicines or drugs.
- Travel your doctor told you to take for rest or change.
- Funeral, burial, or cremation costs.

- Amounts paid for cosmetic surgery which is directed at improving the appearance and does not meaningfully promote the proper function of the body or prevent or treat illness or disease.

**Note:** If expenses for cosmetic surgery are **NOT** deductible as medical expenses, then amounts paid for insurance coverage for such expenses are **NOT** deductible. Furthermore, if an employer health plan reimburses you for such expenses, the reimbursement must be included in your gross income.

**Nonresidents:** If you itemized deductions on your 2009 federal return, enter the number from line 1 of federal Form 1040, Schedule A on *Worksheet NR-1*, line 4. If you did **not** itemize on your 2009 federal return, consult the instructions above to see which medical and dental expenses you may deduct. Complete *Worksheet NR-1* on page 41.

**Part-year residents:** If you itemized deductions on your 2009 federal return, enter the number from line 1 of federal Form 1040, Schedule A on *Worksheet PY-1*, line 4. If you did **not** itemize on your 2009 federal return, consult the instructions above to see which medical and dental expenses you may deduct. Complete *Worksheet PY-1* on page 42.

## Line 38b

### Taxes

**Note:** Act 133, Session Laws of Hawaii 2009, adopts the federal provision that extends the election to deduct state and local general sales taxes through 2009.

**Note:** At the present time, Hawaii has not adopted the federal provision which provides a deduction for state or local sales and excise taxes imposed on the purchase of a qualified motor vehicle after February 16, 2009, and before 2010, if the election to deduct state and local general sales taxes is not made.

Certain taxes you paid during the year can be deducted.

### Taxes You CAN Deduct

#### State and Local Income Taxes

Include on this line:

- State and local income taxes withheld from your salary (as shown on your federal Form W-2) and withheld from your unemployment compensation (as shown on your federal Form 1099-G), estimated tax payments made in 2009, and payments made in 2009 for a prior year;
- Any part of a prior year refund of state or local income taxes that you chose to have credited to your 2009 estimated state or local income taxes; and
- The NET amount of taxes withheld from the sale of Hawaii real property interests.

**Do not** reduce your deduction by any tax refund or credit for prior year state and local income taxes you received in 2009. See instead the instructions for line 10.

For more information about the treatment of taxes withheld from the sale of real property interests, see Tax Information Release No. 2002-2, "Withholding of State Income Taxes on the Disposition of Hawaii Real Property".

#### State and Local General Sales Taxes

**Note:** For purposes of the deduction for state and local general sales taxes, Hawaii's general excise tax will qualify as a "sales tax."

If you elect to deduct state and local general sales taxes, check box b on line 5 of Worksheet NR-2 or PY-2. To figure your deduction, you can use either your actual expenses or the optional sales tax tables.

**Actual Expenses.** Generally, you can deduct the actual state and local general sales taxes (including compensating use taxes) you paid in 2009 if the tax rate was the same as the general sales tax rate. However, sales taxes on food, clothing, medical supplies, and motor vehicles are deductible as a general sales tax even if the tax rate was less than the general sales tax rate. Sales taxes on motor vehicles are also deductible as a general sales tax if the tax rate was more than the general sales tax rate, but the tax is deductible only up to the amount of tax that would have been imposed at the general sales tax rate. Motor vehicles include cars, motorcycles, motor homes, recreational vehicles, sport utility vehicles, trucks, vans, and off-road vehicles. Also include any state and local general sales taxes paid for a leased motor vehicle.

Do not include sales taxes paid on items used in your trade or business.

**Note:** You must keep your actual receipts showing general sales taxes paid to use this method.

**Refund of general sales taxes.** If you received a refund of state or local general sales taxes in 2009 for amounts paid in 2009, reduce your 2009 state and local general sales taxes by this amount. If you received a refund of state or local general sales taxes in 2009 for prior year purchases, do not reduce your 2009 state and local general sales taxes by this amount. But if you de-

deducted your state and local general sales taxes in the earlier year and the deduction reduced your tax, you may have to include the refund in income on Form N-15, line 19. See Recoveries in federal Publication 525 for details.

**Optional Sales Tax Tables.** Instead of using your actual expenses, you can use the tables in the instructions for federal Form 1040 to figure your state and local general sales tax deduction. You may also be able to add the state and local general sales taxes paid on certain specified items.

To figure your state and local general sales tax deduction using the tables, see the instructions for federal Form 1040.

## Real Estate Taxes

Include taxes that you paid on property you own that was not used for business.

If your mortgage payments include your real estate taxes, deduct only the amount equal to the real estate taxes actually paid by the mortgage company to the taxing authority.

## Personal Property Taxes

Include personal property tax you paid, but only if it is based on value alone and it is charged on a yearly basis.

**Note:** *Hawaii does not have a personal property tax. However, you may include personal property taxes you paid to other states.*

## Other Taxes

Include any other deductible tax such as foreign income taxes.

## Taxes You CANNOT Deduct

- Federal income tax.
- Social security tax (FICA).
- Medicare tax.
- Railroad retirement tax (RRTA).
- Federal excise tax on personal property, transportation, telephone, and gasoline.
- Custom duties.
- Federal estate and gift taxes.
- Certain state and local taxes, including:
  - a. Tax on gasoline.
  - b. Hawaii motor vehicle registration fees, including car inspection fees.
  - c. Tax on liquor, beer, wine, cigarettes and tobacco.
  - d. Assessments for sidewalks or other improvements to your property.
  - e. Taxes paid for your business or profession. (These business taxes are deducted elsewhere.)
  - f. Tax you paid for someone else.
  - g. License fees. (Marriage, driver's, dog, hunting, auto, etc.)
  - h. Inheritance tax.

**Nonresidents:** Consult the instructions above to see which taxes you may deduct. Please note that you may only deduct Hawaii income taxes paid or withheld, and real estate taxes paid on property located in Hawaii. Complete *Worksheet NR-2* on page 41.

**Part-year residents:** If you itemized deductions on your 2009 federal return, you may enter the same amount from Form 1040, Schedule A, line 9 on *Worksheet PY-2*, line 12.

**Exception:** You should complete *Worksheet PY-2* on page 42 if:

- **You are a federal employee** receiving a Cost Of Living Allowance (COLA). Not all of your Hawaii income taxes are deductible for federal purposes. (See IRS Revenue Ruling 74-140, 1974-1 C.B. 50, for more information.) Enter on line 8 of *Worksheet PY-2* on page 42 the **entire** amount of state and local income taxes you paid in 2009, even if you reported a different amount on line 5 of federal Form 1040, Schedule A.
- You claimed a deduction for new motor vehicle taxes on line 7 of federal Schedule A. You cannot claim this deduction for Hawaii income tax purposes since Hawaii has not adopted this federal provision at the present time. If you did **not** itemize deductions on your 2009 federal return, consult the instructions above to see which taxes you may deduct. Complete *Worksheet PY-2* on page 42.

## Line 38c Interest Expense

You should show on *Worksheet NR-3* or *PY-3* interest on non-business items only. Business-related interest is deducted elsewhere.

Except for certain mortgage interest, the amount of your personal interest expense (such as credit card interest) is **not** allowed as an itemized deduction on *Worksheet NR-3* or *PY-3*.

**Home Mortgage Interest.** — In most cases, you will be able to deduct all of your home mortgage interest. The following rules apply to any loans secured by your main home, including first and second mortgages, home equity loans and refinanced mortgages. Whether your home mortgage interest is deductible depends on the date you took out the mortgage, the amount of the mortgage and your use of its proceeds.

If ALL of your mortgages fit into one or more of categories **a.**, **b.**, and **c.** below, you can deduct all of the interest on those mortgages. If one or more of your mortgages does not fit into any of the categories below, see federal Publication 936, Limits on Home Mortgage Interest Deduction, to figure the amount of interest you can deduct.

**a. Mortgages you took out on your main home ON or BEFORE October 13, 1987.** These mortgages also include line-of-credit mortgages you had on October 13, 1987, and mortgages you had on October 13, 1987, that you refinanced after that date. But see *Special Rules* if you refinanced or borrowed additional amounts on a line-of-credit mortgage after October 13, 1987.

**b. Mortgages you took out on your main home AFTER October 13, 1987, to buy, build, or improve your home,** but only if these mortgages plus any mortgages in **a.** above totaled \$1 million or less throughout 2009. The limit is \$500,000 or less if married filing separately.

**c. Mortgages you took out AFTER October 13, 1987, on your main home, OTHER THAN to buy, build, or improve your home,** but only if these mortgages totaled \$100,000 or less throughout 2009. The limit is \$50,000 or less if married filing separately.

An example of a mortgage used for purposes other than to buy, build, or improve your home is a home equity loan you used to pay off credit card bills, to buy a car, or to pay tuition costs.

## Special Rules

**Refinanced Mortgages.** — If you had a mortgage on your home on October 13, 1987, and refinanced it after that date for no more than the balance of the existing mortgage, all of the new mortgage is treated as a mortgage described in **a.** above. But, if you refinanced it for more than the balance of the existing mortgage, only the part of the new mortgage equal to the amount you owed on the mortgage at the time you refinanced is treated as a mortgage described in **a.** The part of the new mortgage that is more than the balance of the existing mortgage is a mortgage described in **b.** or **c.** (or **b.** and **c.** if a **mixed-use mortgage** — see below).

**Line-of-Credit Mortgages.** — If you had a line-of-credit mortgage on your home on October 13, 1987, and you borrowed additional amounts on this line of credit after that date, the additional amounts borrowed are treated as a mortgage taken out after October 13, 1987, and are subject to the rules under **b.** or **c.** (or **b.** and **c.** if a **mixed-use mortgage** — see below).

**Mixed-Use Mortgages.** — If you took out a new mortgage after October 13, 1987, (including refinancing for more than what you owe or borrowing additional amounts on a line-of-credit mortgage you had on October 13, 1987), for purposes described in both **b.** and **c.** above, you have a mixed-use mortgage. The mortgage proceeds used to buy, build, or improve the home fit into category **b.** and the rest of the proceeds fit into category **c.**

**Example.** You took out a mortgage on your home for \$200,000 in 1980. You file as single for 2009. In March 2009, when the home had a fair market value of \$400,000, and you owed \$195,000 on the mortgage, you took out a home equity loan for \$120,000. In 2009, you used \$90,000 of the home equity loan proceeds for home improvements, and \$30,000 for other purposes. You can deduct all of the interest on both mortgages. The first mortgage qualifies because it was taken out on or before October 13, 1987. The home equity loan qualifies under the dollar limits in **b.** and **c.** The part of the mortgage subject to the dollar limit in **b.** (\$90,000) plus the first mortgage of \$195,000 totaled less than \$1 million. The part of the mortgage subject to the dollar limit in **c.** (\$30,000) was less than \$100,000.

**Note:** *Additional limits apply if the total amount of all mortgages exceeds the fair market value of the home. See federal Publication 936.*

**What is a Home.** — A home may be a house, condominium, cooperative, mobile home, boat, or similar property. It must provide basic living accommodations including sleeping space, a toilet, and cooking facilities.

**More Than One Home.** — If you had a main home and a second home, the dollar limits explained in **b.** and **c.** above apply to the total mortgages on both homes.

**Qualified mortgage insurance premiums.** — Premiums that you pay or accrue for "qualified mortgage insurance" during 2009 in connection with home acquisition debt on your qualified home are deductible as home mortgage interest. The amount you can deduct is reduced by 10% (.10) for every \$1,000 or fraction thereof (\$500 or fraction thereof if your filing status is married filing separately) by which your adjusted gross income exceeds \$100,000 (\$50,000 if your filing status is married filing separately).

For the definitions of home acquisition debt and qualified home, see federal Publication 936, Home Mortgage Interest Deduction.

**Qualified mortgage insurance.** Qualified mortgage insurance is mortgage insurance provided by the Veterans Administration, the Federal Housing Administration, or the Rural Housing Administration, and private mortgage insurance (as defined in section 2 of the Homeowners Protection Act of 1998 as in effect on December 20, 2006).

**Special rules for prepaid mortgage insurance.** If you paid premiums for qualified mortgage insurance that are properly allocable to periods after the close of the taxable year, such premiums are treated as paid in the period to which they are allocated. No deduction is allowed for the unamortized balance if the mortgage is satisfied before its term (except in the case of qualified mortgage insurance provided by the Department of Veterans Affairs or Rural Housing Administration).

Mortgage insurance premiums you paid or accrued on any mortgage insurance contract issued before January 1, 2007, are not deductible as home mortgage interest.

**Example:** For the 2009 tax year, H and W, married taxpayers, pay \$2,000 for qualified mortgage insurance. For that tax year, H and W file a joint return that shows adjusted gross income (AGI) of \$106,419. As a result, H and W's deduction for qualified mortgage insurance must be reduced by 70% of the otherwise deductible amount – 10% for each of the six full \$1,000 amounts by which their AGI exceeds \$100,000, and an additional 10% for the additional fraction of \$1,000 (\$419) by which their AGI exceeds \$100,000. H and W's deduction for qualified mortgage interest is therefore \$600 (\$2,000 – (70% x \$2,000) = \$2,000 - \$1,400 = \$600).

You may use the Qualified Mortgage Insurance Premiums Deduction Worksheet in the instructions to federal Form 1040 to compute the amount of the deduction. In the computation, however, the Hawaii adjusted gross income amount must be used.

**Investment interest deduction.** — Investment interest is interest paid on money you borrowed that is allocable to property held for investment. It does not include any interest allocable to a passive activity.

**Note:** *Expenses and interest for royalties and other income derived from any patents, copyrights, and trade secrets by an individual or a qualified high technology business are deductible.*

Complete and attach Form N-158, Investment Interest Expense Deduction, to figure your deduction.

**Exception.** You do not have to file Form N-158 if ALL of the following apply:

- Your only investment income was from interest or dividends,
- You have no other deductible expenses connected with the production of the interest or dividends,
- Your investment interest expense is not more than your investment income,
- You have no carryovers of investment interest expense from 2008, and
- You have no passive activity losses.

For more details, see federal Publication 550, Investment Income and Expenses.

## Interest Expense You CANNOT Deduct

Do not include the interest you paid for —

- Personal interest.
- Indebtedness of another person, when you are not legally liable for payment of the interest.
- A gambling debt or other nonenforceable obligation.
- Money you borrowed to buy tax-exempt securities or single-premium life insurance.
- Any kind of business transaction. Business interest expenses are reported elsewhere.

See the instructions for federal Form 1040, Schedule A—Interest Expense for more information.

**Nonresidents:** Consult the instructions above to see which interest expense you may deduct. Please note that you may only deduct home mortgage interest secured by a property located in Hawaii and points paid thereon. Complete *Worksheet NR-3* on page 41.

**Part-year residents:** If you itemized deductions on your 2009 federal return, you may write the amount from line 15 of your 2009 federal Schedule A on *Worksheet PY-3*, line 24.

### Exception:

- If you had to file a 2009 federal Form 4952, you must refigure your investment interest deduction for state tax purposes on Hawaii Form N-158. Enter the amount from Form N-158 on line 23 of *Worksheet PY-3*. Enter the amounts from lines 10, 11, 12, and 13 of federal Form 1040, Schedule A,

on the corresponding lines of *Worksheet PY-3*. Attach Form N-158 to your return.

- If you filed a 2009 federal Form 8396, and you reduced your deduction for home mortgage interest on federal Form 1040, Schedule A, by the amount on line 3 of federal Form 8396, you must refigure your home mortgage interest for state tax purposes. Include the amount from line 3 of federal Form 8396 on line 19 of *Worksheet PY-3*. Enter the amounts from lines 11, 12, 13, and 14 of federal Form 1040, Schedule A, on the corresponding lines of *Worksheet PY-3*.

If you did **not** itemize deductions on your 2009 federal return, consult the instructions above to see which interest expense you may deduct. Complete *Worksheet PY-3* on page 42.

## Line 38d

### Gifts to Charity

#### Contributions You CAN Deduct

You may deduct what you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You may also deduct what you gave to organizations that work to prevent cruelty to children or animals. An organization that tells you it is a "501(c)(3) organization" is telling you that it falls into this category.

Examples of these organizations are:

- Churches, temples, synagogues, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys Club of America, etc.
- Fraternal orders, if the gifts will be used for the purposes listed above.
- Veterans' and certain cultural groups.
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for or help people who have arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.
- Federal, State, and local governments if the gifts are solely for public purposes.

Contributions can be cash (including checks and money orders), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described above. If you drive to and from the volunteer work, you can take 14 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method. (But don't deduct any amounts that were repaid to you.)

If you made a gift **and received a benefit in return**, such as food, entertainment, or merchandise, you may deduct only the amount that is more than the value of the benefit. For example, if you paid \$70 to a charitable organization to attend a fund raising dinner and the value of the dinner was \$40, you may deduct only \$30.

If you do not know whether you can deduct what you gave to an organization, check with that organization.

#### Contributions You CANNOT Deduct

- Political contributions (but see instructions for Miscellaneous Deductions, line 38f).
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets.
- Tuition to a private school.
- The value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally until the entire interest has been transferred).
- Gifts to:
  - a. Individuals.
  - b. Foreign organizations.
  - c. Groups that are run for personal profit.
  - d. Groups whose purpose is to lobby for changes in the law.
  - e. Civic leagues, social and sports clubs, labor unions, and chambers of commerce.

## Limit on the Amount You May Deduct

See federal Publication 526 to figure the amount of your deduction if **any** of the following applies:

- Your cash contributions, or contributions of ordinary income property, are more than 30% of your Hawaii adjusted gross income.



- Your gifts of capital gain property are more than 20% of your Hawaii adjusted gross income.
- You gave gifts of property that increased in value, or gave gifts of the use of property.

## Gifts by Cash or Check

On *Worksheet NR-4*, line 17; or *Worksheet PY-4*, line 31; enter the total contributions you made in cash or by check (including out-of-pocket expenses).

**Note:** Charitable contributions of \$250 or more must be substantiated by a written acknowledgment from the donee organization to be deductible.

**Note:** You cannot deduct a cash contribution, regardless of the amount, unless you keep as a record of the contribution a bank record (such as a canceled check, a bank copy of a canceled check, or a bank statement containing the name of the charity, the date, and the amount) or a written communication from the charity. The written communication must include the name of the charity, date of the contribution, and amount of the contribution. For more information, see federal Publication 526, *Charitable Contributions*.

## Other Than by Cash or Check

On *Worksheet NR-4*, line 18; or *Worksheet PY-4*, line 32; enter the total contributions you made other than by cash or check. If you gave property, you should keep records stating the kind of property you gave, the name of the organization you gave it to, the date you gave it, how you figured its value at the time you gave it, and whether it was capital gain or ordinary income property. If you determine the value of a gift by an appraisal, keep a signed copy of it.

If the amount of your deduction is more than \$500, you must complete and attach federal Form 8283. For this purpose, the "amount of your deduction" means your deduction before applying any income limits that could result in a carryover of contributions. If you deduct more than \$500 for a contribution of a motor vehicle, boat, or airplane, you must also attach a statement from the charitable organization to your return. If your total deduction is over \$5,000, you may also have to get appraisals of the values of the donated property. See federal Form 8283 and its instructions for more information.

### Contributions of clothing and household items after August 17, 2006.

A deduction for these contributions will be allowed only if the items are in good used condition or better. However, this rule does not apply to a contribution of any single item for which a deduction of more than \$500 is claimed and for which you include a qualified appraisal and federal Form 8283 with your tax return.

**Nonresidents:** If you itemized deductions on your 2009 federal return, write the amount from line 19 of Form 1040, Schedule A on *Worksheet NR-4*, line 20.

You should complete all lines on *Worksheet NR-4* on page 41 if:

- Your charitable contribution deduction was limited based upon your federal adjusted gross income. You must refigure your charitable contribution deduction for state tax purposes using your Hawaii adjusted gross income, or
- You have a contribution carryover from prior years and the amount is different for federal and State tax purposes.

If you did not itemize deductions on your 2009 federal return, consult the instructions above to see which contributions you may deduct. Complete *Worksheet NR-4* on page 41.

**Part-year residents:** If you itemized deductions on your 2009 federal return, write the amount from line 19 of Form 1040, Schedule A on *Worksheet PY-4*, line 34.

You should complete all lines on *Worksheet PY-4* on page 42 if:

- Your charitable contribution deduction was limited based upon your federal adjusted gross income. You must refigure your charitable contribution deduction for state tax purposes using your Hawaii adjusted gross income, or
- You have a contribution carryover from prior years and the amount is different for federal and State tax purposes.

If you did **not** itemize deductions on your 2009 federal return, consult the instructions above to see which contributions you may deduct. Complete *Worksheet PY-4* on page 42.

## Line 38e

### Casualty and Theft Losses

**Note:** Hawaii did not adopt the federal provisions that (1) increase the per casualty floor for personal-use property from \$100 to \$500, and (2) waive the 10% of adjusted gross income limit on personal casualty losses for federally declared disasters.

Use line 38e to report casualty or theft loss(es) of property that is not trade, business, or rent or royalty property.

## Losses You CAN Deduct

You may be able to deduct all or part of each loss caused by theft, vandalism, fire, storm, and car, boat, and other accidents or similar causes.

If you have a nonbusiness casualty loss that is covered by insurance, you cannot take the casualty loss deduction unless you file a timely insurance claim for that loss. You can deduct nonbusiness casualty or theft losses only to the extent that:

- a. The amount of EACH separate casualty or theft loss is more than \$100, and
- b. The total amount of ALL losses during the year (reduced by the \$100 limit) is more than 10% of your adjusted gross income on Form N-15, line 36, column B.

You may also deduct the costs of proving that you had a property loss. Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.

## Losses You CANNOT Deduct

- Money or property misplaced or lost.
- Breakage of china, glassware, furniture, and similar items under normal conditions.
- Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.

**Nonresidents:** Complete federal Form 4684, *Casualties and Thefts*, to figure your loss. Please note that the property must be in Hawaii and the casualty and theft loss must have occurred in Hawaii. When completing line 11 of federal Form 4684, enter the smaller of line 10 or \$100 instead of the smaller of line 10 or \$500. Write the amount from line 16 of federal Form 4684 on line 22 of *Worksheet NR-5* on page 41, fill in *Worksheet NR-5*, and attach a copy of federal Form 4684 to Form N-15.

**Part-year residents:** Complete federal Form 4684, *Casualties and Thefts*, to figure your loss. Please note that for the period of nonresidency, the property must be in Hawaii and the casualty and theft loss must have occurred in Hawaii. When completing line 11 of federal Form 4684, enter the smaller of line 10 or \$100 instead of the smaller of line 10 or \$500. Write the amount from federal Form 4684, line 16 on line 36 of *Worksheet PY-5* on page 42, and fill in *Worksheet PY-5*. Attach a copy of federal Form 4684 to Form N-15.

## Line 38f

### Miscellaneous Deductions

#### In General

Most miscellaneous deductions cannot be deducted in full. You must subtract 2% of your Hawaii adjusted gross income from the total.

Generally, the 2% limit applies to job expenses you paid for which you were not reimbursed. The limit also applies to tax preparation fees and certain expenses you paid to produce or collect taxable income or certain tax-exempt income.

The 2% limit does not apply to certain other miscellaneous expenses that you may deduct. These expenses, such as certain job expenses of handicapped employees, can be deducted in full. See federal Publication 529, *Miscellaneous Deductions*, for more information.

## Expenses Subject to the 2% Limit

### Employee Business Expenses

Report job expenses you paid for which you were not reimbursed. Attach a copy of federal Form 2106 or 2106-EZ, if:

1. You claim any travel, transportation, meal, or entertainment expenses for your job; or
2. Your employer paid you for any of your job expenses reportable as an employee business expense.

#### Examples of employee business expenses to include are:

- Travel, transportation, meal, or entertainment expenses.
- Union dues.
- Safety equipment, small tools, and supplies you needed for your job.
- Uniforms your employer said you must have, and which you may not usually wear away from work.
- Protective clothing required in your work, such as hard hats, and safety shoes and glasses.
- Physical examinations your employer said you must have.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.

- Business use of part of your home, but only if you use that part exclusively and on a regular basis in your work and for the convenience of your employer. For details, including limits that apply, see federal Publication 587, Business Use of Your Home.
- Education expenses you paid that were required by your employer, or by law or regulations, to keep your salary or job. In general, you may also include the cost of keeping or improving skills you must have in your job. For more details, see federal Publication 508, Educational Expenses. Some education expenses are not deductible. See *Expenses You MAY NOT Deduct* on this page.

## Tax Preparation Fees

Report the total fees you paid to prepare your federal and Hawaii tax return, including fees paid for filing your return electronically. But **do not** include fees deducted elsewhere, such as business expenses.

## Other Expenses

**Note:** *Expenses and interest for royalties and other income derived from any patents, copyrights, and trade secrets by an individual or a qualified high technology business are deductible.*

Report the total amount you paid to produce or collect taxable income and certain tax-exempt income as stated in the above note, and manage or protect property held for earning income. But **do not** include expenses deducted elsewhere. Attach a statement showing the type and amount of each expense to Form N-15. Examples of these expenses are:

- Safe deposit box rental.
- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (e.g., trust account) fees.
- Your share of the investment expenses of a regulated investment company.
- Certain losses on uninsured deposits in an insolvent or bankrupt financial institution. For details, including limits on the amount you can deduct, see federal Publication 529.
- Deduction for repayment of amounts under a claim of right whether more or less than \$3,000. See *Repayments* in federal Publication 525, Taxable and Nontaxable Income, for more information.
- Certain expenses related to an activity not engaged in for profit. For details, get federal Publication 535, Business Expenses.

## Expenses NOT Subject to the 2% Limit

**Note:** *For taxable years beginning after December 31, 2008, Act 165, Session Laws of Hawaii 2009, repealed the deduction of gambling losses for Hawaii income tax purposes.*

## Other Deductions

Report only the following expenses:

- Hawaii estate and transfer tax.
- Amortizable bond premium on bonds acquired before October 23, 1986.
- Certain unrecovered investment in an annuity (IRC section 72(b)(3)). For details, see federal Publication 575, Pension and Annuity Income.
- Impairment-related work expenses of a handicapped person.

List the type and amount of each expense and attach a copy of the list to your return. For more information on these expenses, get federal Publication 529, Miscellaneous Deductions.

## Political Contributions

Report:

- Political contributions not in excess of \$250 in the year (up to \$500 on a joint return) to a central or county committee of a political **party** whose candidate was on the ballot for the immediately previous general election; and
- Contributions to **candidates** who agreed to abide by the campaign spending limits set by law, but you can't deduct more than \$1,000 in a year (\$2,000 on a joint return) total, and you can't deduct more than \$250 (\$500 on a joint return) to any one candidate.

In order to claim a deduction to candidates who agreed to abide by the campaign spending limits, you must attach a receipt to Form N-15. Canceled checks or copies of the same shall be considered adequate forms of receipt.

If you do not know whether the candidate agreed to abide by the campaign spending limits, contact the Campaign Spending Commission.

## Expenses You MAY NOT Deduct

Some expenses are not deductible at all. Examples are:

- Political contributions to candidates who did not agree to abide by the campaign spending limits.
- Personal legal expenses.

- Lost or misplaced cash or property (but see casualty and theft losses).
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Expenses of going to or from work.
- Education that you need to meet minimum requirements for your job or that will qualify you for a new occupation.
- Expenses of:
  - a. Travel as a form of education.
  - b. Attending a seminar, convention, or similar meeting unless it is related to your employment.
  - c. Adopting a child, including a child with special needs.
- Fines and penalties.
- Expenses of producing tax-exempt income, except for expenses for royalties and other income derived from any patents, copyrights, and trade secrets by an individual or a qualified high technology business.
- Gambling losses.

**Nonresidents:** As a nonresident of Hawaii, all miscellaneous deductions allowed under Hawaii law may not be allowed to you. If it is allowed, you must additionally determine if it is allowed in full or whether it is subject to limitation by the ratio of Hawaii adjusted gross income to total adjusted gross income. In general, a miscellaneous deduction is not allowed if the expense incurred can be directly associated with activities or properties producing income which is not taxable to Hawaii.

A miscellaneous deduction is allowed in full if the expense incurred can be directly associated with activities or properties producing income which is taxable to Hawaii.

A miscellaneous deduction is limited by the ratio of Hawaii adjusted gross income to total adjusted gross income if the expense cannot be linked to a specific activity or property.

Consult the instructions above to see which miscellaneous deductions you may deduct.

**Part-year residents:** If you did **not** itemize deductions on your 2009 federal return, consult the instructions above to see which miscellaneous deductions you may deduct.

If you itemized deductions on your 2009 **federal** return, take the amounts on Form 1040, Schedule A, lines **24 and 28** and write them on lines 48 and 57 of *Worksheet PY-6* on page 42. Then, complete the worksheet.

**Exception:** Gambling losses included on line 28 of federal Form 1040, Schedule A, should not be included on line 57 of *Worksheet PY-6*. For taxable years beginning after December 31, 2008, Act 165, Session Laws of Hawaii 2009, repealed the deduction of gambling losses for Hawaii income tax purposes.

**Note for nonresidents and part-year residents:** If you made **political contributions** in 2009, you may be able to deduct some or all of your contributions regardless of the amount of your adjusted gross income. See Political Contributions on this page.

## Line 39

### Total Itemized Deductions

Your state income tax will be less if the total of your itemized deductions is larger than your prorated standard deduction. To figure your itemized deductions, fill in lines 38a to 38f.

If the amount on Form N-15, line 36, Column B, is \$100,000 or less (\$50,000 if married filing separately), add lines 38a through 38f, and enter the result on line 39.

*People with higher incomes may not be able to deduct all of their itemized deductions.* If the amount on Form N-15, line 36, Column B, is more than \$100,000 (\$50,000 if married filing separately), use the worksheet on page 43 to figure the amount you may deduct.

## Line 40a

### Standard Deduction

Taxpayers who do not itemize their deductions may reduce their adjusted gross income by the amount of their prorated standard deduction appropriate to their filing status. The amount of the standard deduction for each filing status is listed below. Enter the amount appropriate to your filing status on line 40a.

<b>Filing Status</b>	<b>Standard Deduction</b>
Single	\$2,000
Married filing jointly	4,000
Married filing separately	2,000
Head of Household	2,920
Qualifying Widow(er)	4,000

**Standard Deduction for Dependents.** If you can be claimed as a dependent by someone else and you do not itemize your deductions, your standard deduction is limited to the greater of \$500 or your earned income (up to the full standard deduction for your filing status). The standard deduction for an individual who can be claimed as a dependent on the tax return of another taxpayer is computed as follows:

- A. Enter your earned income (defined below). If none, enter zero. .... **A.** \_\_\_\_\_
- B. Minimum amount ..... **B.** 500.00
- C. **Compare** the amounts on lines A and B above. Enter the LARGER of the two amounts here ..... **C.** \_\_\_\_\_
- D. Maximum amount. Enter the full standard deduction for your filing status, shown in the chart, here ..... **D.** \_\_\_\_\_
- E. **Compare** the amounts on lines C and D above. Enter the SMALLER of the two amounts here and on Form N-15, line 40a. .... **E.** \_\_\_\_\_

Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income. Generally, your earned income is the total of the amount(s) you reported on Form N-15, lines 7 and 12, Column A, minus the amount, if any, on line 27, Column A.

**Special Rule for Nonresident and Dual-Status Aliens.**— If you were a nonresident or dual-status alien during the tax year, you cannot claim the standard deduction. You must itemize any allowable deductions.

## Line 40b

### Prorated Standard Deduction

Multiply line 40a by the ratio on line 37.

## Line 41

Line 36, Column B minus line 39 or 40b, whichever applies. This line **MUST** be filled in. If line 41 is a negative number, shade the minus (-) in the box to the left of the amount boxes.

## Line 42a

### Exemptions

**Note:** *Act 14, Special Session Laws of Hawaii 2009, provides that for taxable years beginning after December 31, 2008, Hawaii conforms to the federal phase-out provision for personal exemptions with certain modifications.*

**Note:** *If the amount on line 36, Column B, is more than \$89,981, you may not be able to deduct all of your personal exemptions. Use the Personal Exemptions Worksheet on page 45 to figure the amount you may deduct.*

### Regular Exemptions

Multiply \$1,040 by the total number of exemptions you claimed on line 6e. **Remember, if you can be claimed as a dependent on another person's tax return, you may not claim an exemption for yourself.**

### Blind, Deaf, or Totally Disabled — Definition, Certification, and Exemptions

Fill in the appropriate oval(s) on line 42a if you are blind, deaf or totally disabled and your impairment has been certified. You **must** submit a completed Form N-172 **prior** to filing your return in order to claim this exemption. **If you do not, the exemption will be disallowed and your return processed without the disability exemption(s) claimed.**

“Blind” means a person whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or whose visual acuity is greater than 20/200 but is accompanied by a limitation in the field of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

“Deaf” means a person whose average loss in the speech frequencies (500-2000 Hertz) in the better ear is 82 decibels, A.S.A., or worse.

“Person totally disabled” means a person who is totally and permanently disabled, either physically or mentally, which results in the person's inability to engage in any substantial gainful business or occupation. It is presumed that a person whose earned income, before deductions and exemptions, exceeds \$30,000 per year is engaged in a substantial, gainful business or occupation.

The impairment of sight, deafness or disability shall be certified on the basis of a written report on an examination performed by a qualified ophthalmologist, qualified optometrist or a qualified otolaryngologist, licensed audiologist, or a qualified physician, as the case may be, on Form N-172.

A blind, deaf or totally disabled person who qualifies, may be allowed a Disability Exemption of \$7,000. The Disability Exemption is in lieu of the regu-

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lar personal exemption of \$1,040. The following maximum exemptions are allowed:

One individual (any filing status) —	\$7,000
Husband and Wife (non-disabled spouse <i>under</i> 65) —	\$8,040
Husband and Wife (non-disabled spouse age 65 or over) —	\$9,080
Husband and Wife (both disabled) —	\$14,000

**Note:** *If you claim this special exemption you will not be able to claim the additional exemptions for your children or other dependents, or for being 65 or older.*

For more information, see Tax Information Release No. 89-3, “*State Tax Benefits Available to Persons with Impaired Sight, Impaired Hearing, or Who are Totally Disabled*” and Tax Information Release No. 94-2, “*State Tax Benefits Available to Persons Totally Disabled*”.

## Line 42b

### Prorated Exemption

Multiply line 42a by the ratio on line 37.

## Line 43

### Taxable Income

Line 41 minus line 42b, but not less than zero.

## Tax Computation

## Line 44

### Tax

To figure your tax, you will use one of the following methods. Read the conditions below to see which you should use, and fill in the appropriate oval on line 44 if you use the tax table, tax rate schedules, or alternative tax on capital gains. Fill in the oval for tax from the applicable forms if you use Form N-168 or Form N-615. Then, go to the Tax Computation Worksheet on page 43.

### Tax Table

If your taxable income is less than \$100,000, you **MUST** use the Tax Table to find your tax.

Be sure you use the correct column in the Tax Table. After you have found the correct tax, enter that amount on line 44.

There is an example at the beginning of the table to help you find the correct tax.

### Tax Rate Schedules

You must use the Tax Rate Schedules to figure your tax if your taxable income is \$100,000 or more.

## Form N-168

**Note:** *Act 133, Session Laws of Hawaii 2009, allows income averaging for amounts received from the Exxon Valdez litigation.*

An individual engaged in a farming or fishing business may elect to average their farm or fishing income over a three-year period. See Form N-168 for more information.

## Form N-615

If a child under age 14 has investment income of more than \$1,000, use Form N-615 to see if any of the child's investment income is taxed at the parent's rate and, if so, to figure the child's tax. See Form N-615 for more information.

## Alternative Tax on Capital Gains

If you have a **Hawaii** net capital gain, you may be able to reduce your tax using the *Tax on Capital Gains Worksheet* on page 43 if your taxable income is over \$48,000 (\$24,000 for Single, and Married Filing Separately, or \$36,000 for Head of Household classifications). If your taxable income is \$48,000 (\$24,000 for Single, and Married Filing Separately, or \$36,000 for Head of Household classifications) or under, do not use the *Tax on Capital Gains Worksheet* on page 43.

## Total Tax Liability

Use the *Tax Computation Worksheet* on page 43 to figure your total tax liability.



## Nonrefundable Credits

### Line 45

#### Total Nonrefundable Tax Credits

If you are claiming any nonrefundable tax credits, you must use Schedule CR, Schedule of Tax Credits, to summarize the total nonrefundable tax credits claimed. Complete Part I of Schedule CR, and enter the amount from Schedule CR, line 15, on Form N-15, line 45. Attach Schedule CR directly behind Form N-15. The following nonrefundable tax credits are included on Schedule CR:

#### Credit for Income Taxes Paid to Other States and Countries

**Note:** This credit may **not** be claimed by nonresidents, unless they are married and filing a joint resident or joint part-year resident return.

If you have out-of-state income that is taxed by another state or foreign country and also by Hawaii, you may claim a credit against your Hawaii income for the net income tax you paid to the other state or foreign country on income you reported in Column B while you were a Hawaii resident if you meet the following conditions:

The income was earned while you were a **Hawaii resident** (or you are married and filing a joint resident or joint part-year resident return) and was not exempt from Hawaii income tax;

- You did not file an *Election Under Act 60, SLH 1976* (see page 4);
- The income on which the state or foreign tax is imposed was derived or received from sources outside Hawaii;
- You were liable for and paid tax to the foreign jurisdiction (net amount of tax paid to a foreign jurisdiction after all credits, reductions, and refunds allowed or allowable by the laws of the foreign jurisdiction have been deducted);
- The tax paid to the other state or foreign country is an income-based tax that is imposed on both residents and nonresidents of the other state or foreign country, rather than a sales, gross receipts, withholding, or value added tax (i.e., taxes withheld on dividends paid from foreign investments do not qualify);
- No credit is allowed if the foreign income is excluded on the federal return;
- No credit is allowed if the foreign tax credit is allowed on the federal return;
- The income must be taxed by the other state or foreign country for the same taxable year for which the Hawaii credit is claimed;
- No credit is allowed for penalties or interest paid to the other state or foreign country; and
- No credit is allowed for city or local income taxes paid to another state.

To figure the allowable amount of the credit, fill in the *Other State and Foreign Tax Credit Worksheet* on page 43. On line 5 of the worksheet, enter the net amount of tax paid to the other state after all credits, reductions, and refunds allowed or allowable by the laws of the other state have been deducted (net tax liability).

**Required Attachments.** If you entered any amount on line 5, you must attach a copy of the tax return(s) from the other state(s). If you entered any amount on line 6, you must attach a copy of all federal Form(s) 1116 that you are filing this year. If you are not required to file federal Form 1116, attach a copy of the payee statement (such as federal Form 1099-DIV or 1099-INT) that you received for your foreign source income.

**Out-of-State Tax Refund.** If you claim this credit and you later receive a tax refund from the other state or foreign country, you **MUST** report this to the Department of Taxation. You may be subject to penalties if you fail to make this report.

For more information, see section 235-55, HRS, and section 18-235-55, Hawaii Administrative Rules.

#### Credit for Beneficiaries of Foreign Trusts

Any resident beneficiary of a trust with a situs in another State may claim a credit for income taxes paid by the trust to the other State on any income that is attributable to assets other than intangibles. This credit is not allowed for trusts that are residents in a foreign country (or in any territory or possession of the United States).

The trust will inform you of what your share of the trust's income is, and how much of it is long-term capital gains. Include these amounts on lines 3 and 4, respectively, of the *Other State and Foreign Tax Credit Worksheet* on page 43.

The trust will also tell you your share of the tax the trust paid to the other state. Find out how much of the trust's income was attributable to real property and tangible personal property (**not** including stocks, bonds, mortgages, and other intangibles). Divide that number by the total amount of the trust's income, and multiply your share of the out-of-state tax by that percentage.

Include this amount on line 5 of the *Other State and Foreign Tax Credit Worksheet* on page 43.

#### Credit for Shareholders of S Corporations

A shareholder of an S corporation shall be considered to have paid a tax imposed on the shareholder in an amount equal to the shareholder's pro rata share of any net income tax paid by the S corporation to a state which does not measure the income of S corporation shareholders by the income of the S corporation. The term "net income tax" means any tax imposed on or measured by a corporation's net income.

The S corporation will inform you of what your share of its income is, and how much of it is long-term capital gains. Include these amounts on lines 3 and 4, respectively, of the *Other State and Foreign Tax Credit Worksheet* on page 43.

The S corporation will also tell you your share of the tax paid to the other state. Include this amount on line 5 of the *Other State and Foreign Tax Credit Worksheet* on page 43.

**Special Rule for Part-Year Residents:** If you are a part-year resident, you are only allowed a credit for the period in which you were a resident. In using the *Other State and Foreign Tax Credit Worksheet* on page 43, **do not include** income that was earned during the period of nonresidence, deductions that were connected with that income, or taxes paid or payable on that income. For more information, see Tax Information Release No. 90-3, *Income Taxation and Eligibility for Credits of an Individual Taxpayer Whose Status Changes from Resident to Nonresident or Nonresident to Resident*.

#### Carryover of the Energy Conservation Tax Credit

**Note:** The energy conservation tax credit expired on June 30, 2003. This credit may be claimed only if the individual has a carryover of the tax credit from a prior year.

Each individual resident taxpayer who files an individual income tax return and who has unused credits for energy conservation from the prior year may claim a tax credit against its individual income tax liability. Tax credits that exceed the individual's income tax liability are not refunded but may be used as a credit against the individual's income tax liability in subsequent years until exhausted.

For more information, see Form N-323, Carryover of Tax Credits.

**To claim the carryover of this credit.** Complete Form N-323 and Schedule CR and attach them to your return.

See the discussion for the Renewable Energy Technologies Income Tax Credit for the credit available for current system installations.

#### Enterprise Zone Tax Credit

A qualified enterprise zone business is eligible to claim a credit for a percentage of net income tax due the State attributable to the conduct of business within a zone and a percentage of the amount of unemployment insurance premiums paid based on the payroll of employees employed at the business firm establishments in the zone. The applicable percentage is 80% the first year; 70% the second year; 60% the third year; 50% the fourth year; 40% the fifth year; 30% the sixth year; and 20% the seventh year. This credit is not refundable and any unused credit may NOT be carried forward.

For more information, see Form N-756, Enterprise Zone Tax Credit.

**To claim this credit.** Complete Form N-756 and Schedule CR and attach them to your return.

#### Low-Income Housing Tax Credit

**Note:** Do not confuse this credit with the credit for low-income household renters.

**Note:** Nonresidents may claim this credit **only** if they received a distributive share of low-income housing tax credit from a Hawaii partnership, trust, estate, or S corporation.

Hawaii's low-income housing tax credit is equal to 50% of the tax credit allocated by the Housing and Community Development Corporation of Hawaii for qualified buildings located within the State of Hawaii.

Contact the Housing and Community Development Corporation of Hawaii for qualifying requirements and further information.

**To claim this credit.** Complete Form N-586 and Schedule CR and attach them to your return.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

## Credit for Employment of Vocational Rehabilitation Referrals

The amount of the tax credit for the taxable year shall be equal to 20% of the qualified first-year wages for that year. The amount of the qualified first-year wages which may be taken into account with respect to any individual shall not exceed \$6,000.

"Qualified wages" means the wages paid or incurred by the employer during the taxable year to an individual who is a vocational rehabilitation referral and more than one-half of the wages paid or incurred for such an individual is for services performed in a trade or business of the employer. "Qualified first-year wages" means, with respect to any vocational rehabilitation referral, qualified wages attributable to service rendered during the one-year period beginning with the day the individual begins work for the employer.

The credit allowed shall be claimed against net income tax liability for the taxable year. A tax credit which exceeds the taxpayer's income tax liability may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted.

For more information, see Form N-884, Credit for Employment of Vocational Rehabilitation Referrals.

**To claim this credit.** Complete Form N-884 and Schedule CR and attach them to your return.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

## High Technology Business Investment Tax Credit

**Note:** *Act 178, Session Laws of Hawaii 2009, limits the amount of tax credit available for investments in a high technology business for investments made on or after May 1, 2009 and on or before December 31, 2010, by: (1) limiting claims of the tax credit to 80% of tax liability, (2) allowing only a one-to-one tax credit allocation ratio, and (3) eliminating carryovers. Also, for investments made on or after May 1, 2009, the partner distributive share tax incentive is removed.*

The credit is 35% of the investment in the year the investment is made, 25% for the first year following the year the investment was made, 20% for the second year following the investment, and 10% for each of the third and fourth years following the investment. The credit is subject to limitations and recapture requirements. The credit shall not be available for taxable years beginning after December 31, 2010.

The credit allowed shall be claimed against net income tax liability for the taxable year. A tax credit which exceeds the taxpayer's income tax liability for any of the five years that the credit is taken may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted.

For more information, see Form N-318, High Technology Business Investment Tax Credit.

**To claim this credit.** Complete Form N-318 and Schedule CR and attach them to your return. Form N-318A, which must be certified for investments made on or after July 1, 2004, also must be attached to your return.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

## Carryover of the Individual Development Account Contribution Tax Credit

**Note:** *The individual development account contribution tax credit is not available for taxable years beginning after December 31, 2004. This credit may be claimed only if the individual has a carryover of the tax credit from a prior year.*

Each individual taxpayer who files an individual income tax return and who has unused credits for contributions of matching funds to an individual development account from the prior year may claim a tax credit against its individual income tax liability. Tax credits that exceed the individual's income tax liability are not refunded but may be used as a credit against the individual's income tax liability in subsequent years until exhausted.

For more information, see Form N-323, Carryover of Tax Credits.

**To claim the carryover of this credit.** Complete Form N-323 and Schedule CR and attach them to your return.

## Technology Infrastructure Renovation Tax Credit

**Note:** *Act 178, Session Laws of Hawaii 2009, limits the amount of tax credit available for the technology infrastructure renovation tax credit for renovation costs incurred on or after May 1, 2009 and on or before December 31,*

*2010, by: (1) limiting claims of the tax credit to 80% of tax liability, and (2) eliminating carryovers.*

The amount of the tax credit for the taxable year is equal to 4% of renovation costs incurred to provide a commercial building with technology-enabled infrastructure. Renovation costs are costs incurred to plan, design, install, construct, and purchase technology-enabled infrastructure equipment to provide a commercial building with technology-enabled infrastructure. Technology-enabled infrastructure means: (1) high speed telecommunications systems that provide Internet access, direct satellite communications access, and videoconferencing facilities; (2) physical security systems that identify and verify valid entry to secure spaces, detect invalid entry or entry attempts, and monitor activity in these spaces; (3) environmental systems to include heating, ventilation, air conditioning, fire detection and suppression, and other life safety systems; and (4) backup and emergency electric power systems. The credit shall not be available for taxable years beginning after December 31, 2010.

The credit allowed shall be claimed against net income tax liability for the taxable year. A tax credit which exceeds the taxpayer's income tax liability may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted.

For more information, see Form N-326, Technology Infrastructure Renovation Tax Credit.

**To claim this credit.** Complete Form N-326 and Schedule CR and attach them to your return.

## Credit for School Repair and Maintenance

Licensed contractors, pest control operators, and professional engineers, architects, surveyors and landscape architects who are subject to Hawaii's income tax may claim an income tax credit for contributions of in-kind services for the repair and maintenance of public schools. The credit shall be an amount equal to 10% of the value of the services contributed. Certain other limitations and restrictions apply.

The credit allowed shall be claimed against net income tax liability for the taxable year. A tax credit which exceeds the taxpayer's income tax liability may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted.

For more information, see Form N-330, Credit for School Repair and Maintenance.

**To claim this credit.** Complete Form N-330 and Schedule CR and attach them to your return.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

## Carryover of the Hotel Construction and Remodeling Tax Credit

**Note:** *The 10% nonrefundable hotel construction and remodeling tax credit may not be claimed for qualified construction or renovation costs incurred after June 30, 2003. This credit may be claimed only if the individual has a carryover of the tax credit from a prior year.*

Each individual taxpayer who files an individual income tax return and who has unused credits for qualified construction or renovation costs from the prior year may claim a tax credit against its individual income tax liability. Tax credits that exceed the individual's income tax liability are not refunded but may be used as a credit against the individual's income tax liability in subsequent years until exhausted.

For more information, see Form N-323, Carryover of Tax Credits, and Tax Information Release No. 2000-2, *Hotel Construction and Remodeling Tax Credit*.

**To claim the carryover of this credit.** Complete Form N-323 and Schedule CR and attach them to your return.

## Carryover of the Residential Construction and Remodeling Tax Credit

**Note:** *The residential construction and remodeling tax credit may not be claimed for construction or renovation costs incurred after June 30, 2003. This credit may be claimed only if the individual has a carryover of the tax credit from a prior year.*

Each individual taxpayer who files an individual income tax return and who has unused credits for qualified construction or renovation costs from the prior year may claim a tax credit against its individual income tax liability. Tax credits that exceed the individual's income tax liability are not refunded but may be used as a credit against the individual's income tax liability in subsequent years until exhausted.

For more information, see Form N-323, Carryover of Tax Credits, and Tax Information Release No. 2002-3, *Residential Construction and Remodeling Tax Credit*.

**To claim the carryover of this credit.** Complete Form N-323 and Schedule CR and attach them to your return.

## Renewable Energy Technologies Income Tax Credit

**Note:** Act 154, Session Laws of Hawaii 2009, makes a number of amendments to the Renewable Energy Technologies Income Tax Credit. For systems placed in service on or after July 1, 2009, see the instructions for the Nonrefundable Renewable Energy Technologies Income Tax Credit Placed in Service on or After July 1, 2009 and the Refundable Renewable Energy Technologies Income Tax Credit Placed in Service on or After July 1, 2009.

Each taxpayer who files an individual income tax return for 2009 may claim a tax credit against his or her individual income tax liability for an eligible renewable energy technology system installed and placed in service in Hawaii. The tax credit shall apply only to the actual cost of the solar thermal, wind powered, or photovoltaic energy system, including accessories and installation, and shall not include the cost of consumer incentive premiums unrelated to the operation of the system or offered with the sale of the system (such as "free gifts", offers to pay electricity bills, or rebates) and costs for which another credit is claimed. The dollar amount of any utility rebate shall be deducted from the cost of the qualifying system and its installation before determining the State credit. A tax credit which exceeds the taxpayer's income tax liability may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted.

The tax credit may be claimed for the following renewable energy technology systems installed and placed in service in Hawaii prior to July 1, 2009:

Type of Renewable Energy Technology System	Tax Credit Rate
<b>1. Solar thermal energy systems</b>	
a. Single-family residential property.	The lesser of 35% of the actual cost of the system or \$2,250.
b. Multi-family residential property.	Per unit: The lesser of 35% of each unit's actual cost of the system or \$350.
c. Commercial property.	The lesser of 35% of the actual cost of the system or \$250,000.
<b>2. Wind powered energy systems</b>	
a. Single-family residential property.	The lesser of 20% of the actual cost of the system or \$1,500.
b. Multi-family residential property.	Per unit: The lesser of 20% of each unit's actual cost of the system or \$200.
c. Commercial property.	The lesser of 20% of the actual cost of the system or \$500,000.
<b>3. Photovoltaic energy systems</b>	
a. Single-family residential property.	The lesser of 35% of the actual cost of the system or \$5,000.
b. Multi-family residential property.	Per unit: The lesser of 35% of each unit's actual cost of the system or \$350.
c. Commercial property.	The lesser of 35% of the actual cost of the system or \$500,000.

For more information, See Form N-334, Renewable Energy Technologies Income Tax Credit.

**To claim this credit.** Complete Form N-334 and Schedule CR and attach them to your return. Also, fill in the appropriate oval on Schedule CR to indicate the type of energy system.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

## Nonrefundable Renewable Energy Technologies Income Tax Credit Placed in Service on or After July 1, 2009

**Note:** Act 154, Session Laws of Hawaii 2009, amends the renewable energy technologies income tax credit by (1) removing the solar thermal and photovoltaic classifications, and providing a single solar classification, (2) applying a lower solar system cap to a system if the primary purpose of that system is to use energy from the sun to heat water for household use, (3) providing the taxpayer with an election to treat the tax credit as refundable, (4) deleting the provision which prohibited residential home developers from claiming the tax credit, and (5) not allowing any tax credit for the portion of the renewable energy technology system that is required for new single-family residential property construction, and providing that if all or a

portion of a solar energy system or wind-powered system is used to fulfill the substitute renewable energy technology requirement, then the tax credit is further reduced or eliminated.

Each taxpayer who files an individual income tax return for 2009 may claim a tax credit against his or her individual income tax liability for an eligible renewable energy technology system installed and placed in service in Hawaii. The tax credit shall apply only to the actual cost of the solar or wind-powered energy system, including accessories and installation, and shall not include the cost of consumer incentive premiums unrelated to the operation of the system or offered with the sale of the system (such as "free gifts", offers to pay electricity bills, or rebates) and costs for which another credit is claimed. The dollar amount of any utility rebate shall be deducted from the cost of the qualifying system and its installation before determining the State credit. A tax credit which exceeds the taxpayer's income tax liability may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted, unless the taxpayer elects to treat the credit as refundable. See the instructions for Refundable Renewable Energy Technologies Income Tax Credit Placed in Service on or After July 1, 2009.

The tax credit may be claimed for the following renewable energy technology systems installed and placed in service in Hawaii on or after July 1, 2009:

Type of Renewable Energy Technology System	Tax Credit Rate
<b>1. Solar energy systems - Primary purpose is to use energy from the sun to heat water for household use</b>	
a. Single-family residential property.	The lesser of 35% of the actual cost of the system or \$2,250.
b. Multi-family residential property.	Per unit: The lesser of 35% of each unit's actual cost of the system or \$350.
c. Commercial property.	The lesser of 35% of the actual cost of the system or \$250,000.
<b>Solar energy systems - All other solar energy systems</b>	
a. Single-family residential property.	The lesser of 35% of the actual cost of the system or \$5,000.
b. Multi-family residential property.	Per unit: The lesser of 35% of each unit's actual cost of the system or \$350.
c. Commercial property.	The lesser of 35% of the actual cost of the system or \$500,000.
<b>2. Wind powered energy systems</b>	
a. Single-family residential property.	The lesser of 20% of the actual cost of the system or \$1,500.
b. Multi-family residential property.	Per unit: The lesser of 20% of each unit's actual cost of the system or \$200.
c. Commercial property.	The lesser of 20% of the actual cost of the system or \$500,000.

**To claim this credit.** Complete Form N-342 and Schedule CR and attach them to your return. Also, fill in the appropriate oval on Schedule CR to indicate the type of energy system.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, must be filed on or before the end of the twelfth month after the close of your taxable year.

## Ko Olina Resort and Marina Attractions and Educational Facilities Tax Credit

If you are claiming the Ko Olina resort and marina attractions and educational facilities tax credit, see Form N-336 for information.

## Line 46

Line 44 minus line 45. Enter the result on this line, but not less than zero.

## Tax Already Paid

## Line 47

### Total Hawaii Income Tax Withheld

Add the Hawaii income tax withheld as shown on your Forms HW-2, N-2, and N-4, and federal Forms W-2 and 1099-G (unemployment compensation). Enter the total on this line. Attach a copy of Forms HW-2, N-2, and N-4, and federal Forms W-2 and 1099-G showing the withholding. If not attached, the withholding may be disallowed.

**Note:** If taxes were withheld on the sale of Hawaii real property, report this amount on line 48, "2009 Estimated Tax Payments".



## Line 48

### 2009 Estimated Tax Payments

Enter on this line only your estimated Hawaii income tax payments you made on Form N-1 for 2009. Do not include your 2008 overpayment that you requested to have applied to your 2009 estimated tax (this amount is to be reported on line 49).

Also include on this line the amount of taxes withheld on the sale of Hawaii real property computed as follows:

1. Amount of taxes withheld as shown on Form(s) N-288A, "Statement of Withholding on Dispositions by Nonresident Persons of Hawaii Real Property Interests" \_\_\_\_\_
2. Amount of refund you already applied for on Form(s) N-288C, "Application for Tentative Refund of Withholding on Dispositions of Hawaii Real Property Interests" ..... \_\_\_\_\_
3. Line 1 minus line 2. Include this amount on Form N-15, line 48..... \_\_\_\_\_

**Note:** Attach a copy of the Form(s) N-288A showing the withholding.

If the tax was withheld for you through a partnership, estate, trust, or S corporation, see the Instructions for *Pro Rata Share of Taxes Withheld and Paid by a Partnership, Estate, Trust, or S Corporation on the Sale of Hawaii Real Property Interests* on page 31.

Enter the amounts paid on Forms N-1 and N-288A (less amount of refund applied for on Form N-288C) in the appropriate spaces. Add the amounts paid on Forms N-1 and N-288A (less amount of refund applied for on Form N-288C), and enter the result on line 48.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you can claim all of the amount paid or you can each claim a part of it. Please be sure to show both social security numbers (or ITINs) on the separate returns. If you or your spouse paid separate estimated tax, but you are now filing a joint income tax return, add the amounts you each paid.

Follow the above instructions even if your spouse died during the year.

## Line 49

### 2008 Overpayment Applied to 2009 Estimated Tax

Enter on this line any overpayment from your 2008 return that you applied to your 2009 estimated tax as shown on line 62 of your 2008 Form N-15.

## Line 50

### Amount Paid with Extension

If you made a payment with Form N-101A, enter the amount you paid on this line.

## Refundable Credits

**IMPORTANT!** If the amount of payments plus these credits is at least \$1 more than your tax, the difference will be refunded to you. It is very important that you *carefully* read the following instructions for each of these credits to ensure that you properly claim all the credits to which you are entitled.

**Warning:** Many of the following credits **MUST** be claimed on or before the end of the twelfth month following the end of the taxable year (December 31, 2010, for calendar year taxpayers). If you do not claim these credits within that period, the credits are **waived** and **cannot** be claimed later, even on an amended return.

## Line 51

### Refundable Food/Excise Tax Credit

**Note:** This credit may **not** be claimed by nonresidents.

If your total **federal** adjusted gross income was less than \$50,000, you may qualify for this credit. See the instructions for Schedule X, Part I, on page 35. Figure the credit on Schedule X, Part I, and enter the amount of the credit here.

**Note:** Do not claim this credit if you are being claimed or eligible to be claimed as a dependent by any taxpayer for federal or Hawaii income tax purposes.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

## Line 52

### Credit for Low-Income Household Renters

**Note:** This credit may **not** be claimed by nonresidents.

If you occupy and pay rent for real property within the State as your residence, your total adjusted gross income was less than \$30,000, and the rent you paid during 2009 was more than \$1,000, you may qualify for this credit. To see if you qualify, see the instructions for Schedule X, Part II, on page 36. If you qualify, figure the credit on Schedule X, Part II, and enter the amount of the credit here.

**Note:** Do not claim this credit if you are being claimed or eligible to be claimed as a dependent by any taxpayer for federal or Hawaii income tax purposes.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

## Line 53

### Credit for Child and Dependent Care Expenses

**Note:** This credit may **not** be claimed by nonresidents.

Certain payments made for child and dependent care (including payments made to the State of Hawaii A+ Program) may be claimed as a credit against your tax due. To see if you qualify, see the instructions for Schedule X, Part III, on page 37. If you qualify, figure the credit on Schedule X, Part III, and enter the amount of the credit here.

**Note:** Do not claim this credit if you are being claimed or eligible to be claimed as a dependent by any taxpayer for federal or Hawaii income tax purposes.

## Line 54

### Credit for Child Passenger Restraint System

Each individual taxpayer who files an individual income tax return for the taxable year may claim a tax credit for 2009 for the purchase of **one or more new** child passenger restraint systems which comply with federal motor vehicle safety standards.

**Note:** This credit is **\$25 per return** regardless of the cost or the number of restraint systems purchased.

**To claim this credit.** Enter \$25 on line 54, and attach a copy of the sales invoice, which states the type of child restraint system purchased, to your return.

**Your claim for this credit may be rejected** if the invoice is not attached, or if 1) or 2) applies but no statement or explanation is attached.

- 1) If the invoice doesn't have your name on it, you must attach a statement saying that you and nobody else is claiming the credit for the purchase described in the invoice.
- 2) If the invoice has somebody else's name on it, you must attach an explanation.

**Deadline for claiming this credit.** Claims for the tax credit, including any amended claims thereof, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

## Line 55

### Credit for \$1 General Income Tax

Act 84, Session Laws of Hawaii 2009, provides that each resident taxpayer who files an individual income tax return for the taxable year, including those who have no income or no income taxable under chapter 235, HRS, may claim a one-time \$1.00 general income tax credit, provided that the taxpayer is not eligible to be claimed as a dependent for federal or State income tax purposes by another taxpayer. The credit is multiplied by the number of qualified exemptions to which the taxpayer is entitled.

The credit may be claimed for each resident individual who:

- Was a resident of Hawaii for at least nine months regardless of whether the qualified resident was physically in Hawaii for nine months,
- Is not claimed and is not eligible to be claimed as a dependent by any taxpayer for federal or Hawaii income tax purposes, and
- Was not confined in jail, prison, or a youth correctional facility for the full taxable year.

**Note:** The credit is not based on adjusted gross income. The credit is figured on a fixed amount of \$1.00 per qualified exemption. A qualified exemption does not include additional exemptions for being 65 years of age or over, or for deficiencies in vision, hearing, or other disability.

**To claim this credit.** There is no special form to be filed. All you need to do is multiply \$1.00 by the number of your qualified exemptions. Enter the amount on line 55.

**Deadline for claiming this credit.** Claims for the tax credit, including any amended claims thereof, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

## Line 56

### Total Refundable Tax Credits from Schedule CR

If you are claiming any of the following refundable tax credits, you must use Schedule CR, Schedule of Tax Credits, to summarize the total refundable tax credits claimed. Complete Part II of Schedule CR, and enter the amount from Schedule CR, line 24, on Form N-15, line 56. Attach Schedule CR directly behind Form N-15.

The following refundable tax credits are included on Schedule CR:

### Capital Goods Excise Tax Credit

**Note:** *Act 178, Session Laws of Hawaii 2009, reduces the rate of the capital goods excise tax credit to 0% for property that was placed in service on or after May 1, 2009 through December 31, 2009.*

A 4% credit is available to Hawaii businesses that acquire qualifying business property and place it in service during the taxable year.

For more information, see the instructions for Form N-312 and Tax Information Release No. 88-6, *Capital Goods Excise Tax Credit*, Tax Information Release No. 88-8, *Capital Goods Excise Tax Credit Recapture*, and Tax Information Release No. 89-4, *The Taxpayer Who Is Entitled To The Capital Goods Excise Tax Credit When the Parties Characterize a Transaction As A Sale-Leaseback*.

**To claim this credit.** Complete Form N-312 and Schedule CR and attach them to your return.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

### Fuel Tax Credit for Commercial Fishers

Each principal operator of a commercial fishing vessel who files an individual income tax return may claim an income tax credit for certain fuel taxes paid during the year.

**To claim this credit.** Complete Form N-163 and Schedule CR and attach them to your return.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

### Tax Credit for Research Activities

This 20% credit is based on the federal credit for research activities except that the federal base amounts are excluded and research must have been conducted in Hawaii. The credit shall not be available for taxable years beginning after December 31, 2010.

**To claim this credit.** Complete Form N-319 and Schedule CR and attach them to your return. Form N-319A, which must be certified for research expenses incurred on or after July 1, 2004, also must be attached to your return.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

### Ethanol Facility Tax Credit

A credit is allowable for the investment in a qualified ethanol facility that is in production on or before January 1, 2017.

**To claim this credit.** Complete Form N-324 and Schedule CR and attach them to your return.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

### Motion Picture, Digital Media, and Film Production Income Tax Credit

A taxpayer may claim an income tax credit of (1) 15% of the qualified production costs incurred on or after July 1, 2006, and before January 1, 2016, by a qualified production in the City and County of Honolulu, and (2) 20% of the qualified production costs incurred on or after July 1, 2006, and before January 1, 2016, by a qualified production in the Kauai, Maui, or Hawaii county. The total tax credits claimed per qualified production shall not exceed \$8,000,000.

For more information, see Form N-340, Motion Picture, Digital Media, and Film Production Income Tax Credit.

**To claim this credit.** Complete Form N-340 and Schedule CR and attach them to your return.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

### Refundable Renewable Energy Technologies Income Tax Credit Placed in Service on or After July 1, 2009

**Note:** *Act 154, Session Laws of Hawaii 2009, provides that a taxpayer may elect to treat the renewable energy technologies income tax credit as refundable.*

See the instructions for Nonrefundable Renewable Energy Technologies Income Tax Credit Placed in Service on or After July 1, 2009. The tax credit is generally nonrefundable. However, the tax credit may be refundable under the following circumstances:

For solar energy systems, a taxpayer may elect to reduce the eligible credit amount by 30%. If this reduced amount exceeds the amount of income tax payment due from the taxpayer, the excess of the credit amount over payments due will be refunded to the taxpayer.

For any renewable energy technology system, a taxpayer may elect to have any excess of the credit over payments due refunded to the taxpayer if (1) all of the taxpayer's income is exempt from taxation under section 235-7(a) (2), Hawaii Revised Statutes (HRS), i.e., distributions from a public retirement plan or system, or section 235-7(a)(3), HRS, i.e., any compensation received in the form of a pension for past services; or (2) the taxpayer has Hawaii adjusted gross income of \$20,000 or less (or \$40,000 or less if filing a tax return as married filing jointly).

A husband and wife who do not file a joint tax return shall only be entitled to make this election to the extent that they would have been entitled to make the election had they filed a joint tax return.

**To claim this credit.** Complete Form N-342 and Schedule CR and attach them to your return.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

### Important Agricultural Land Qualified Agricultural Cost Tax Credit

If you are claiming the important agricultural land qualified agricultural cost tax credit, see Form N-344 for information.

### Other Credits

#### Pro Rata Share of Taxes Withheld and Paid by a Partnership, Estate, Trust, or S Corporation on the Sale of Hawaii Real Property Interests

If the tax was withheld by a partnership, estate, trust or S corporation, and you are taxable on a pro rata share of the entity's gain on the sale, include ONLY the amount of your pro rata share of any net income taxes withheld and paid by the partnership, estate, trust or S corporation on Schedule CR, line 23a, and attach a copy of the Schedule K-1 issued to you by the partnership, estate, trust, or S corporation.

**Note:** *If the partnership, estate, trust or S corporation filed a Form N-288C, "Application for Tentative Refund of Withholding on Dispositions of Hawaii Real Property Interests", you may not claim this credit for your share of the amount being refunded to the entity.*

#### Credit From a Regulated Investment Company

A shareholder of a regulated investment company is allowed a credit for the tax paid to the State by the company on the amount of capital gains which by section 852(b)(3)(D) of the Internal Revenue Code is required to be included in the shareholder's return. The regulated investment company will notify you of the undistributed capital gains amount and the tax paid, if any. If this credit applies to you, include the amount on Schedule CR, line 23b, and attach an explanation.

## Line 57

### Total Payments and Credits

Add lines 47 through 56. Enter the amount on this line.

## Refund or Balance Due

### Line 58

#### Amount Overpaid

If line 57 is larger than line 46, line 57 minus line 46 is the amount overpaid.

The Hawaii School-Level Minor Repairs and Maintenance Special Fund provides moneys for school-level minor repairs and maintenance. If you have an overpayment of at least \$2 (\$4 if married and filing a joint return), you can choose to contribute to the Hawaii School-Level Minor Repairs and Maintenance Special Fund (line 59a).

The Hawaii Public Libraries Special Fund provides moneys to support the operations of the library system. If you have an overpayment of at least \$2 (\$4 if married and filing a joint return), you can choose to contribute to the Hawaii Public Libraries Special Fund (line 59b).

The Hawaii Children's Trust Fund provides moneys for the award of grants for primary and secondary prevention activities to prevent child abuse and neglect. The Domestic Violence and Sexual Assault Special Fund provides moneys for programs and grants or purchases of service that support or provide domestic violence and sexual assault intervention or prevention. The Spouse and Child Abuse Special Accounts provide moneys for staff programs, and grants or purchases of service that support or provide spouse or child abuse intervention or prevention. If you have an overpayment of at least \$5 (\$10 if married and filing a joint return), you can choose to contribute to these funds (line 59c).

### Line 59a

#### Contribution to the Hawaii Schools Repairs and Maintenance Fund

If you want to contribute \$2 to the Hawaii School-Level Minor Repairs and Maintenance Special Fund (or \$4 if your spouse also wants to contribute and you are filing jointly), fill in the appropriate oval(s). No other amounts can be accepted. Your contribution will reduce your refund. Once made, the contribution cannot be revoked.

### Line 59b

#### Contribution to the Hawaii Public Libraries Fund

If you want to contribute \$2 to the Hawaii Public Libraries Special Fund (or \$4 if your spouse also wants to contribute and you are filing jointly) fill in the appropriate oval(s). No other amounts can be accepted. Your contribution will reduce your refund. Once made, the contribution cannot be revoked.

### Line 59c

#### Contribution to the Domestic Violence / Child Abuse and Neglect Funds

If you want to contribute \$5 to the Hawaii Children's Trust Fund, the Domestic Violence and Sexual Assault Special Fund, and the Spouse and Child Abuse Special Accounts (or \$10 if your spouse also wants to contribute and you are filing jointly), fill in the appropriate oval(s). No other amounts can be accepted. Your contribution will reduce your refund. Once made, the contribution cannot be revoked.

### Line 62

#### Applied to 2010 Estimated Tax

Enter the amount from line 61 that you want applied to your estimated tax for 2010.

We will apply amounts to your account unless you attach a request to apply it to your spouse's account. The request should include your spouse's social security number and full name.

### Line 63a

#### Refund

Line 61 minus line 62. This is the amount that will be refunded to you.

**Note:** Check the box under line 63a if the ultimate destination of your refund is to a foreign (non-U.S.) bank account. Do not complete lines 63b through 63d. Due to new rules for international ACH transactions that went into effect on September 18, 2009, the direct deposit of your refund into a foreign (non-U.S.) bank account will not be available. A check will be sent to you instead.

**Note:** If you are filing your return after the prescribed due date, the refund

shown may be limited or disallowed due to the statute of limitations. In general, a claim for refund or credit for overpaid income taxes must be filed within three years after the return is filed for the taxable year, within three years of the due date for filing the return, or within two years from when the tax is paid, whichever is later. For purposes of determining whether a refund or credit is allowed, taxes paid on or before the due date of the return (e.g. taxes withheld from an employee's pay, or estimated tax payments) are considered paid on the due date of the return, without considering an extension of time to file the return.

### Lines 63b Through 63d

#### Direct Deposit of Refund

Complete lines 63b through 63d if you want the Department of Taxation to directly deposit the amount shown on line 63a into your checking or savings account at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) instead of sending you a check.

**Note:** If the ultimate destination of your refund is to a foreign (non-U.S.) bank account, do not complete lines 63b through 63d. See the instructions for line 63a.

**Note:** If you owe certain past-due debt, such as child support, and all or part of the overpayment on line 58 is used (offset) to pay the past-due amount, you will not be allowed to have your refund directly deposited into your checking or savings account. A check will be sent to you instead.

**Note:** If you are filing an amended return on Form N-15, your refund cannot be directly deposited into your checking or savings account. Direct deposit can only be used if you are filing an original return.

#### Why Use Direct Deposit?

- You get your refund fast – even faster if you e-file!
- Payment is more secure – there is no check to get lost.
- More convenient. No trip to the bank to deposit your check.
- Saves tax dollars. A refund by direct deposit costs less than a check.

You can check with your financial institution to make sure your deposit will be accepted and to get the correct routing and account numbers. The Department is not responsible for a lost refund if you enter the wrong account information.

If you file a joint return and fill in lines 63b through 63d, you are appointing your spouse as an agent to receive the refund. This appointment cannot be changed later.

Some financial institutions will not allow a joint refund to be deposited into an individual account. If the direct deposit is rejected, a check will be sent instead. The Department is not responsible if a financial institution rejects a direct deposit.

#### Routing Number

The routing number **must** be **nine** digits. The first two digits must be 01 through 12 or 21 through 32. Otherwise, the direct deposit will be rejected and a check sent instead.

Your check may state that it is payable through a financial institution different from the one at which you have your checking account. If so, **do not** use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter on line 63b.

#### Type of Account

On line 63c, check the applicable box to indicate whether you want your refund deposited into your checking or savings account.

#### Account Number

Contact your financial institution for the correct account number to enter on line 63d. The account number can be up to 17 characters (both numbers and letters). Omit spaces, hyphens, and special symbols. Enter the number from left to right and leave any unused boxes blank. Be sure **not** to include the check number.

### Line 64

#### Balance Due

If line 46 is larger than line 57, line 46 minus line 57 is your balance due.

Use Form N-200V, Individual Income Tax Payment Voucher, to send your payment to the Department of Taxation.

Attach your check or money order and Form N-200V to the front of Form N-15. Write your social security number and "2009 Form N-15" on your check or money order.

**Note:** If you include penalty and/or interest for the late filing of your return with your payment, identify and enter these amounts on a separate sheet of



paper and attach to Form N-15. Do not include the penalty and/or interest amounts for the late filing of your return in the Balance Due on line 64.

**Note:** If you cannot pay the full amount you owe, you can enter a payment agreement by requesting for a payment agreement **after** you receive the billing notice. Please be aware that penalty and interest continue to accrue on the unpaid tax amount even though you have not received the billing notice. Payments will be accepted and applied to your tax liability; however, to ensure your payments are applied correctly, your check or money order must have: (1) your name clearly printed on the check as it is printed on the tax return (if filing a joint return, also print your spouse's name), (2) your social security number (if filing a joint return, also write your spouse's social security number), and (3) the tax year and form number you filed (e.g., 2009 N-15).

## Line 65

### Estimated Tax Penalty

See the instructions for *Penalties and Interest* on page 34 and Form N-210, Underpayment of Estimated Tax by Individuals and Fiduciaries, to see if you owe a penalty for the underpayment of estimated taxes.

If you owe a penalty, enter the penalty amount on Form N-15, line 65. Do not include the penalty amount on line 58 or line 64. If you have any taxes due, include the amount of the penalty on Form N-200V. If you have an overpayment, your overpayment will be reduced automatically by the amount of the penalty.

Fill in the oval at line 65 if Form N-210 is attached.

**Note:** If you are a farmer or fisherman and receive a penalty notice, do not ignore it, even if you think it is in error. You may get a penalty notice even though you filed your return on time, attached Form N-210, and met the gross income from farming or fishing requirement. If you receive a penalty notice for underpaying estimated tax and you think it is in error, write to the address on the notice and explain why you think the notice is in error. Include a computation showing that you met the gross income from farming or fishing requirement.

## Amended Returns

If you are filing an amended return, fill in the amended return oval at the top of Form N-15. Complete your amended return using corrected amounts through line 65. Attach Schedule AMD, Explanation of Changes on Amended Return, to the income tax return Form N-15. If you are filing an amended return due to a net operating loss carryback, also fill in the NOL Carryback oval and attach a copy of your original federal income tax return for the loss year. See page 35 of the instructions for more information.

If your original return has an overpayment, part or all of which was credited to 2010 estimated taxes, the amount that was credited on your original return cannot be changed unless (1) the 2010 return has not yet been filed, and (2) the amended return shows a balance due. In this situation, you may request that the amount credited to 2010 estimated taxes be applied to the balance due on the amended return by attaching a written request to the amended return.

If you contributed to the Hawaii Schools Repairs and Maintenance Fund, Hawaii Public Libraries Fund, and/or Domestic Violence / Child Abuse and Neglect Funds on your original return, your contribution(s) cannot be revoked, and you must make the same designation(s) on your amended return.

## Line 66

### Amount Paid (Overpaid) on Original Return

Enter on line 66 the amount paid on your original 2009 Form N-15, line 64 (plus the amount of estimated tax penalty on line 65, if any); or the amount overpaid on your original 2009 Form N-15, line 58 (less the amount of estimated tax penalty on line 65, if any). If the amount is an overpayment, shade the minus (-) in the box to the left of the amount boxes.

Attach Schedule AMD, Explanation of Changes on Amended Return.

## Line 67

### Balance Due (Refund) With Amended Return

If no amount was entered on line 66, enter on line 67 the amount, if any, from line 63a (less the amount of estimated tax penalty on line 65, if any) or line 64 (plus the amount of estimated tax penalty on line 65, if any) of the amended return.

If there is an amount on line 66 and that amount is:

- a. A payment and there is an amount on line 58, complete the following worksheet:

1. Amount from line 58 (less the amount of estimated tax penalty on line 65, if any) .....
2. Amount from line 66 .....
3. Add line 1 and line 2 .....

Enter the amount from line 3 of the worksheet on line 67. This is the amount of your overpayment on your amended return. Shade the minus (-) in the box to the left of the amount boxes.

- b. A payment and there is an amount on line 64, complete the following worksheet:

1. Amount from line 64 (plus the amount of estimated tax penalty on line 65, if any) .....
2. Amount from line 66 .....
3. Line 1 minus line 2 .....

Enter the amount from line 3 of the worksheet on line 67.

If the amount on line 1 of the worksheet is larger than the amount on line 2 of the worksheet, this is the amount you owe on your amended return.

If the amount on line 2 of the worksheet is larger than the amount on line 1 of the worksheet, this is the amount of your overpayment on your amended return. Shade the minus (-) in the box to the left of the amount boxes.

- c. An overpayment and there is an amount on line 58, complete the following worksheet:

1. Amount from line 58 (less the amount of estimated tax penalty on line 65, if any) .....
2. Amount from line 66 .....
3. Line 1 minus line 2 .....

Enter the amount from line 3 of the worksheet on line 67.

If the amount on line 1 of the worksheet is larger than the amount on line 2 of the worksheet, this is the amount of your overpayment on your amended return. Shade the minus (-) in the box to the left of the amount boxes.

If the amount on line 2 of the worksheet is larger than the amount on line 1 of the worksheet, this is the amount you owe on your amended return.

- d. An overpayment and there is an amount on line 64, complete the following worksheet:

1. Amount from line 64 (plus the amount of estimated tax penalty on line 65, if any) .....
2. Amount from line 66 .....
3. Add line 1 and line 2 .....

Enter the amount from line 3 of the worksheet on line 67. This is the amount you owe on your amended return.

If you have an overpayment on your amended return, you may contribute to the (1) Hawaii Schools Repairs and Maintenance Fund (line 59a) if line 59a on your original return was blank, (2) Hawaii Public Libraries Fund (line 59b) if line 59b on your original return was blank, and/or (3) Domestic Violence / Child Abuse and Neglect Funds (line 59c) if line 59c on your original return was blank.

Subtract the amount contributed to the above funds from the amount of overpayment available and enter the difference on line 67. Shade the minus (-) in the box to the left of the amount boxes. Be sure that the sum of the amounts entered on lines 59a, 59b, 59c, and 67 is not more than the overpayment available.

If you have an amount due on your amended return, use Form N-200V, Individual Income Tax Payment Voucher, to send your payment to the Department of Taxation. Attach your check or money order and Form N-200V to the front of Form N-15.

Attach Schedule AMD, Explanation of Changes on Amended Return.

## Now continue with Step 7 below.

### Step 7

Check your return to make sure it is correct.

### Step 8

#### Third Party Designee

If you want to authorize the Department of Taxation to discuss your tax return with a person that you designate, enter the name of your third party designee, telephone number, and identification number. You are authorizing the Department to call your third party designee to answer any questions that may arise during the processing of your tax return.

**Note:** This designation is not a full power of attorney and does not replace Form N-848.

## Step 9

### Hawaii Election Campaign Fund

This fund helps to provide accountability, transparency, integrity and a level playing field for State and County candidates in Hawaii elections. If you have a tax liability of at least \$3 (\$6 if married and filing a joint return), you can choose to contribute to the Hawaii Election Campaign Fund.

If you want \$3 to go to the fund, fill in the "Yes" oval. If you are filing a joint return, and your spouse wants \$3 to go to the fund, fill in the "Yes" oval.

If you fill in the "Yes" oval, your tax liability or refund due will not change.

Once made, the designation cannot be revoked.

## Step 10

### Sign and date your return.

Form N-15 is not considered a valid return unless you sign it. If you are unable to sign the return (due to disease or injury, etc.), you can appoint an agent to sign your return. A return signed by an agent must have a power of attorney attached that authorizes the agent to sign for you. You can use Form N-848, Power of Attorney.

Be sure to date your return. If you have someone else prepare your return, you are still responsible for the correctness of the return.

**Joint Return.** Your spouse must also sign Form N-15 if it is a joint return. If your spouse cannot sign because of disease or injury and tells you to sign, you can sign your spouse's name in the proper space on the return followed by the words "By (your name), Husband (or Wife)." Be sure to also sign in the space provided for your signature. Attach a dated statement, signed by you, to the return. The statement should include the form number of the return you are filing, the tax year, and the reason your spouse cannot sign, and that your spouse has agreed to your signing for him or her.

If you are the guardian of your spouse who is mentally incompetent, you can sign the return for your spouse as guardian.

If your spouse is unable to sign the return because he or she is serving in a combat zone, and you do not have a power of attorney or other statement, you can sign for your spouse. Attach a signed statement to your return that explains that your spouse is serving in a combat zone.

If your spouse cannot sign the joint return for any other reason, you can sign for your spouse only if you are given a valid power of attorney. Attach the power of attorney to your tax return.

If you are filing a joint return as the surviving spouse, see *Death of Taxpayer* on page 6.

**Child's Return.** If your child cannot sign the return, sign your child's name in the space provided. Then, add "By (your signature), parent for minor child."

**Occupation.** Write your occupation in the space provided. If married and filing a joint return, also write your spouse's occupation in the space provided.

## Step 11

### Did you have someone else prepare your return?

If you fill in your own return, the Paid Preparer's space should remain blank. If someone prepares your return and does not charge you, that person should not sign your return.

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Information area of your return. The preparer may furnish his or her alternative identifying number for income tax return preparers (PTIN) instead of his or her social security number.

If you have questions about whether a preparer is required to sign your return, please contact our Taxpayer Services staff.

The preparer required to sign your return MUST complete the required preparer information and:

- Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)
- Give you a copy of your return in addition to the copy to be filed with the Department of Taxation.

## Step 12

### Attachments

Attach a copy of your Form(s) HW-2, N-2, and N-4, or federal Form(s) W-2 and 1099-G (unemployment compensation), to the front of Form N-15 in the area designated. To the back of your return attach, in the following order:

- Schedule CR.

- Any other schedules, in alphabetical order.
- Other Hawaii – series forms, in numerical order.
- Any other federal forms, in numerical order, used as a substitute for state forms (see *Related Federal/Hawaii Tax Forms* on page 3).
- A copy of your federal income tax return.
- Any other required attachments.

**A return without the required schedules, forms, and attachments is incomplete. You must file a complete return on time to avoid paying penalties and interest for late filing.**

If you need more space on forms or schedules, attach separate sheets and use the same arrangement as the printed forms. But show your totals on the printed forms. Please use sheets that are the same size as the forms and schedules. Be sure to put your name and social security number on these separate sheets.

If you owe tax, be sure to use Form N-200V to send your payment to the Department of Taxation. Attach your check or money order and Form N-200V to the front of Form N-15.

## Reminders

### Processing of Your Tax Return

In general, refunds due to you are issued within 8 weeks from the date your return is filed with the Department of Taxation. However, it may take additional time if you filed your return close to the April 20 filing deadline, if errors were made in completing your return, or you moved and did not change your address in writing with the Department of Taxation.

You may call our Taxpayer Services Branch to obtain automated information about your individual income tax refunds 24 hours a day, 7 days a week. Automated refund information should be available 4 to 6 weeks after your return is filed with the Department of Taxation.

You may also check your refund status through the Department of Taxation's website.

### Penalties and Interest

**Late Filing of Return.** The penalty for failure to file a return on time is assessed on the tax due at a rate of 5% per month, or part of a month, up to a maximum of 25%.

**Extensions.** If you are unable to file your Hawaii tax return by April 20, 2010, you are automatically granted a 6-month extension without the need to file anything with the Department unless an additional tax payment must be made. As long as the following conditions are met, you are deemed to have made an application for the 6-month extension to file an income tax return on the prescribed due date:

1. On or before April 20, 2010, 100% of the properly estimated tax liability is paid;
2. The tax return is filed on or before the expiration of the 6-month extension period;
3. The tax return is accompanied by full payment of any tax not already paid; and
4. You are not bound by a court order to file a tax return on or before the prescribed due date.

If you must make an additional payment of tax on or before April 20, 2010 in order to meet the condition requiring payment of 100% of the properly estimated tax liability, you must file Form N-101A with your payment. Federal Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, may not be used in lieu of Form N-101A.

**Interest.** Interest at the rate of 2/3 of 1% per month or part of a month shall be assessed on unpaid taxes and penalties beginning with the first calendar day after the date prescribed for payment, whether or not that first calendar day falls on a Saturday, Sunday, or legal holiday.

**Failure to pay tax after filing timely returns.** The penalty for failure to pay the tax after filing a timely return is 20% of the tax unpaid within 60 days of the prescribed due date. The 60-day period is calculated beginning with the prescribed due date even if the prescribed due date falls on a Saturday, Sunday, or legal holiday.

**Underpayment of estimated taxes.** You may be subject to a penalty for not paying enough estimated tax if your tax payments, including withholding, do not total the smallest of:

- 1) 60% of the 2009 tax liability; or
- 2) 100% of the tax shown on the 2008 return.

There are special rules for farmers and fishermen.

For more information, see Form N-210, Underpayment of Estimated Tax by Individuals and Fiduciaries.

## Change of Address

If your mailing address changes after you file your return, you must notify the Department **in writing** of the change in addition to notifying the post office serving your former address. Failure to do so may prevent any refund due to you from being delivered (the U.S. Postal Service is not permitted to forward your State refund check), and delay important notices or correspondence to you regarding your return. Be sure to include your name(s) and social security number(s) as printed on your return in any correspondence with the Department.

## How Long Should Records Be Kept?

Keep records of income, deductions, and credits shown on your tax return, as well as any worksheets you used, until the statute of limitations runs out for that return. Usually this is three years from the date the return was due or filed, whichever is later. Also keep copies of your filed tax returns and any Forms W-2 or 1099 you received as part of your records. You should keep some records longer. For example, property records (including those on your home) should be kept as long as they are needed to figure the basis of the original or replacement property. For more details, see federal Publication 552, Recordkeeping for Individuals.

## Amended Return

If you file your income tax return and later become aware of any changes you must make to income, deductions, or credits, you may file an amended return on Form N-15 to change the Form N-15 you already filed. Use the Form N-15 for the year you are amending. (You cannot file a 2008 amended return on a 2009 Form N-15.) Fill in the amended return oval at the top of Form N-15, and fill in the return with all of the correct information. Attach Schedule AMD, Explanation of Changes on Amended Return, to the income tax return Form N-15. If you are filing an amended return due to a net operating loss carryback, also fill in the NOL Carryback oval and attach a copy of your original federal income tax return for the loss year.

See the instructions for Form N-15, lines 66 and 67.

For information on the statute of limitation periods within which you may file an amended return to claim a refund or credit of overpaid taxes, see the instructions for line 63a (Refund) on page 32.

You can get prior year forms from our website, by calling our Taxpayer Services Branch, and at any district tax office. See page 6 for the phone number to request the forms you need and for the Department's website address.

If your amended return is a different form from your original return filed, file an amended return on that different form. (If you filed an original return on Form N-15 and should have filed Form N-11, file an amended return on Form N-11.)

## Change in Federal Taxable Income

In general, a change to your federal return, whether it is made by you (on federal Form 1040X) or by the Internal Revenue Service, must be reported to the State of Hawaii.

- 1) Section 235-101(b), HRS, requires a report (an amended return) to the Director of Taxation if the amount of IRC taxable income is changed, corrected, adjusted or recomputed as stated in (3).
- 2) This report must be made:
  - a) Within 90 days after a change, correction, adjustment or recomputation is finally determined.
  - b) Within 90 days after an amended return is filed.
- 3) A report within the time set out in (2) is required if:
  - a) The amount of taxable income as returned to the United States is changed, corrected, or adjusted by an officer of the United States or other competent authority.
  - b) A change in taxable income results from a renegotiation of a contract with the United States or a subcontract thereunder.
  - c) A recomputation of the income tax imposed by the United States under the Internal Revenue Code results from any cause.
  - d) An amended income tax return is made to the United States.
- 4) The statutory period for the assessment of any deficiency or the determination of any refund attributable to the report shall not expire before the expiration of one year from the date the Department is notified by the taxpayer or the Internal Revenue Service, whichever is earlier, of such a report in writing.

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# Instructions for Schedule X — Tax Credits

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**Note:** *These credits may not be claimed by nonresidents.*

## Purpose

Use Schedule X to claim the refundable food/excise tax credit, credit for low-income household renters, and the credit for child and dependent care expenses. **Even if you have no taxable income, you should complete and attach Schedule X to your Form N-15 to claim these credits so they can be refunded to you.**

**Warning:** *The refundable food/excise tax credit and the credit for low-income household renters MUST be claimed on or before the end of the twelfth month following the end of the taxable year. If you do not claim these credits within that period, the credits are **waived** and **cannot** be claimed later, even on an amended return.*

## Part I

### Refundable Food/Excise Tax Credit

Each resident taxpayer who files an individual income tax return for the taxable year, including those who have no income or no income taxable under chapter 235, HRS, may claim this credit provided that the taxpayer is not eligible to be claimed as a dependent for federal or State income tax purposes by another taxpayer.

#### Qualified Exemptions

The refundable food/excise tax credit may be claimed for each **resident** individual who:

- Was a resident of Hawaii and was physically present in Hawaii for more than nine months during the taxable year;
- Is not claimed and is not eligible to be claimed as a dependent by any taxpayer for federal or Hawaii individual income tax purposes; and
- Was not confined in jail, prison, or a youth correctional facility for the full taxable year.

#### For Whom the Credit May Be Claimed

A part-year resident taxpayer filing Form N-15 may claim the credit for any of the following people who are "qualified exemptions" as defined above:

- The taxpayer's self;
- The taxpayer's spouse, if the spouse is filing jointly with the taxpayer;
- The taxpayer's dependents; and
- The taxpayer's minor children receiving support from the Department of Human Services of the State, social security survivor benefits, and the like.

#### Birth or Death of a Qualified Exemption

- A person who dies during the year may be a qualified exemption so long as the person was alive and physically present within the State for more than nine months. If a person who was continuously living in Hawaii died after September 30, 2009, that person could still be a qualified exemption.
- A child who is born during 2009 could be a qualified exemption if the mother was physically present in the State while pregnant with the child and the total days of gestation and life after birth total more than nine months during the taxable year.

## Line 1

### Federal Adjusted Gross Income

Since the tax credit is based on **federal** adjusted gross income, you must complete your federal return first. If you are not required to file a federal income tax return, use federal Form 1040 as a worksheet to determine your **federal** adjusted gross income.

If your **federal** adjusted gross income is \$50,000 or more, stop here; you cannot take this credit. However, you may claim the credit for a minor child receiving support from the Department of Human Services, etc.

**Married filing separately.** If you are married filing separately, you must add your spouse's **federal** adjusted gross income to your own. If the total is \$50,000 or more, you cannot claim this credit.



## Line 2

### Qualified Exemptions

On line 2, enter the names of the qualified exemptions. Start with yourself, enter your spouse's name if you are filing a joint return, and list your dependents. However, do not list minor children receiving more than half of their support from public agencies even though you may claim them as a dependent. List these minor children on line 3.

If married filing separately, only one spouse may claim the dependents.

Enter the number of qualified persons on line 2.

## Line 3

### Minor Children Receiving Public Support

On line 3, list your minor children who are also qualified exemptions, and who receive more than half of their support from the Department of Human Services, Social Security benefits, and other government payments. If you are married filing separately, only one spouse may claim each child. Enter the number of children here, and on the space provided beside Form N-15, line 51.

## Line 5

Enter your spouse's **federal** adjusted gross income.

## Line 6

Add lines 4 and 5. Enter this amount on the space provided beside line 51. If your **federal** adjusted gross income is zero or less, you must enter zero.

## Line 10

### Amount of the Credit

Add lines 8 and 9. Enter this amount on Form N-15, line 51.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

## Part II

### Credit for Low-Income Household Renters

Each **resident** taxpayer who occupies and pays rent for real property within the State as his or her residence and who files an individual income tax return for the taxable year, including those who have no income or no income taxable under chapter 235, HRS, may claim a tax credit of \$50 per **qualified exemption**, including the additional exemption for taxpayers age 65 or over, provided the following four conditions are met:

- The taxpayer is not eligible to be claimed as a dependent for federal or State income tax purposes by another taxpayer;
- The taxpayer has adjusted gross income of less than \$30,000; and
- The taxpayer has paid more than \$1,000 in rent during the taxable year.
- The rented property is NOT exempt from real property tax. Rent paid for property which is partially or fully exempt from real property tax will not qualify for the credit. For example, county or State low-income housing projects, military housing, dormitories in schools, residential real property owned by a nonprofit organization, and homes in which the owner occupies a portion of the property, may have been granted real property tax exemptions by the county. If such exemptions, whether partial or full exemptions, have been granted, the rent paid for such properties will not qualify for the credit. To verify if real property tax exemptions have been granted on the rented property, please inquire with either the landlord, rental agent, or the Real Property Tax Office in the county in which the property is located.

**Note:** *Minor children receiving more than half of their support from the State Department of Human Services, Social Security benefits, and the like, which you can claim as dependents, are considered qualified exemptions for purposes of claiming this credit. This means that the exemption for a child listed in line 3 of Part I does count toward this credit if you can claim them as a dependent.*

A "**residence**" is defined as the dwelling place that constitutes the principal residence of the taxpayer or his or her immediate family in this State.

"**Rent**" means the amount paid in cash in any taxable year for the occupancy of a residence. Rent does not include:

- Charges for utilities, parking stalls, storage of goods, yard services, furniture, furnishings, and the like;

- Rental claimed as a deduction from gross income or adjusted gross income for income tax purposes;
- Ground rental paid for use of land only; and
- Rental allowances or rental subsidies received (i.e. housing allowance received from the armed forces or the Hawaii Housing Authority.).

## Line 1

### Adjusted Gross Income

If the total adjusted gross income (Form N-15, line 36, Column A) shown on your return is \$30,000 or more, **stop here**; you cannot take this credit.

**Married filing separately.** If you are married filing separately, you must add your spouse's adjusted gross income to your own. If you are married filing separately and your spouse is a nonresident, you need to determine your spouse's adjusted gross income from all sources, within and outside of Hawaii, and add that amount to your own adjusted gross income. If the **total** is \$30,000 or more, you cannot claim this credit.

## Line 2

### Resident for More Than Nine Months

If you are a part-year resident who has been in Hawaii for 9 months or less in 2009, **stop here**; you cannot take this credit.

## Line 3

### Dependent of Another Taxpayer

If you can be claimed as a dependent on another person's return, **whether or not** that person claims you, **stop here**; you cannot take this credit.

## Line 4

### Your Addresses

List your most recent address. Fill in all of the required information. If you lived in more than one location during 2009, attach a separate sheet listing the same information for the other locations.

**Do not list** any location that was partly or wholly exempt from real property tax, such as:

- County or State low-income housing projects;
- Military housing;
- Dormitories in schools;
- Residential real property owned by a nonprofit organization; or
- Homes in which the owner occupies a portion of the property.

## Line 5

### Rent You Paid

Enter the total amount of rent **you paid** during 2009 to all of the locations listed on line 4. If you are sharing or were sharing the rent with somebody else, list only your share of the rent here.

## Line 6

### Exclusions

Enter that portion of the amount on line 5 which:

- Is for ground rent, utilities, goods, or services;
- You claimed as a deduction anywhere on your tax return; or
- You were reimbursed, through a rental allowance or rental subsidy from any source.

## Line 7

Line 5 minus line 6. If this amount is \$1,000 or less, **stop here**; you cannot take this credit.

## Line 8

### Qualified Exemptions

- a** Enter the number from Schedule X, Part I, line 2. If you did not claim the refundable food/excise tax credit, complete Part I, line 2, and enter amount here.....

- b** Enter the number of persons who would have been listed in Part I, line 2 as qualified exemptions except that: (1) they were minor children receiving more than half of their support from public agencies, or (2) they were in prison, a youth correctional facility, or jail for the entire taxable year. ....
- c** If you are a qualified exemption and you are age 65 or over, enter 1. Otherwise, enter 0. ....
- d** If you are married and filing a joint return or married and filing separately where your spouse is not filing a Hawaii return, had no income, and was not the dependent of someone else; and your spouse is a qualified exemption; and your spouse is age 65 or over; enter 1. Otherwise, enter 0. ....
- e** Add lines a through d. Enter the result here and on line 8 of Schedule X, Part II. ....

## Line 9

### Amount of the Credit

Line 8 times \$50. Enter this amount on Form N-15, line 52.

**Deadline for claiming this credit.** Claims for this credit, including any amended claims, **must** be filed on or before the end of the twelfth month after the close of your taxable year.

## Part III

### Credit for Child and Dependent Care Expenses

**Note:** *Part-year residents may only claim child and dependent care expenses during the period of Hawaii residency.*

If you maintain a household that included a child under age 13 or a dependent or spouse incapable of self-care, you may be allowed this credit for expenses you paid during the taxable year to care for your dependent so you could work.

#### Who May Claim the Credit

If you are a **resident** taxpayer who files an individual income tax return for a taxable year, you are not claimed or eligible to be claimed as a dependent on another taxpayer's federal or Hawaii income tax return, and you maintain a household which includes one or more qualifying persons (defined below), you may be allowed a credit against your income tax. The credit ranges from 15% to 25% of employment-related expenses (up to certain limitations) PAID during the taxable year in order to enable you to work either full or part time for an employer or as a self-employed individual.

#### Maintaining a Household

You will be treated as maintaining a household for any period only if you furnish over half the cost of maintaining the household for that period. If you are married during that time, you and your spouse must provide over half the maintenance cost for the period.

The expenses of maintaining a household include property taxes, mortgage interest, rent, utility charges, upkeep and repairs, property insurance, and food consumed on the premises. They do not include the cost of clothing, education, medical treatment, vacations, life insurance, and transportation.

#### Qualifying Person

A qualifying person is any one of the following persons:

- Any person under age 13 whom you claim as a dependent (but see Special Rule (4) below, *Children of Divorced or Separated Parents*).
- Your disabled spouse who is mentally or physically unable to care for himself or herself.
- Any disabled person who is mentally or physically unable to care for himself or herself and whom you claim as a dependent, or could claim as a dependent (as a qualifying relative) except that he or she had income of \$3,650 or more.

#### Employment-related Expenses

Employment-related expenses are those paid for the following, but only if paid to enable you to be gainfully employed:

**(1) Expenses for Household Services.** Expenses will be considered for household services in your home if they are for the ordinary and usual services necessary for the operation of the home, and bear some relationship to the qualifying person. For example, payment for services of a domestic maid or cook ordinarily will be considered expenses for household services if performed at least partially for the benefit of the qualifying person.

**(2) Expenses for the Care of a Qualifying Person.** Expenses will be considered for the care of one or more qualifying persons if their main purpose was to assure that individual's well-being and protection. You can include amounts paid for items other than the care of your child (such as food and schooling) only if the items are incidental to the care of the child and cannot be separated from the total cost.

You may NOT include any amount paid for services outside your household at a camp where the qualifying person stays overnight.

Do not include services outside your household as employment-related expenses for your spouse or a dependent age 13 or older. However, services outside your household are employment-related expenses for a dependent who has not reached his or her 13th birthday or for an individual who regularly spends at least eight hours each day in your household.

You may include expenses incurred for qualified dependent care centers as employment-related expenses. The dependent care center must comply with all applicable laws, rules, and regulations of Hawaii if the center is located within Hawaii. If the center is located outside Hawaii, the center must comply with all applicable laws, rules, and regulations of the state or country in which the center is located. Furthermore, these centers must provide care for more than six individuals (other than individuals who reside at the center), and must receive a fee, payment, or grant providing services for any of the individuals (regardless of whether such center is operated for profit).

**Note:** *Payments made to the State of Hawaii A+ Program qualify for the credit.*

#### Medical Expenses

Some dependent care expenses may qualify as medical expenses. If you cannot use all the medical expenses to qualify for this credit because of the dollar limit or earned income limit (explained later), you can take the rest of these expenses as an itemized deduction for medical expenses. But if you deduct the medical expenses first on Worksheet PY-1, you cannot use any part of these expenses on Schedule X.

#### Special Rules

**(1) Married Couples Must File Joint Returns.** If you are married at the end of the taxable year, the credit for employment-related expenses is allowable only if you and your spouse file a joint return for the taxable year.

**(2) Marital Status.** If you are legally separated from your spouse under a decree of divorce or separate maintenance, you are not considered married.

**(3) Certain Married Individuals Living Apart and Filing Separate Returns.** If during the last 6 months of the taxable year your spouse was not a member of your household and you (a) maintained a household which was for more than one-half of the taxable year the principal place of abode of a qualifying person, and (b) furnished over half of the cost of maintaining such household during the taxable year, then you are not considered married for purposes of the credit or the exclusion.

**(4) Children of Divorced or Separated Parents.** If you were divorced, legally separated, or lived apart from your spouse during the last 6 months of 2009, you may be able to claim the credit even if your child is not your dependent. If your child is not your dependent, he or she is a qualifying person if all five of the following apply:

- You had custody of the child for the longer period during the year;
- The child received over half of his or her support from one or both of the parents;
- The child was in the custody of one or both of the parents over half of the year;
- The child was under age 13, or was physically or mentally unable to care for himself or herself; and
- The child is not your dependent because:
  - As the custodial parent, you signed federal Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents, or a similar statement, agreeing not to claim the child's exemption for 2009; or
  - You were divorced or separated before 1985 and your divorce decree or written agreement states that the other parent can claim the child's exemption, and the other parent provides at least \$600 in child support during the year. **Note:** *This rule does not apply if your decree or agreement was changed after 1984 to specify that the other parent cannot claim the child's exemption.*

**(5) Payments to a Related Individual.** You can count work-related expenses you pay to relatives who are not your dependents, even if they live in your home. However, do not count any amounts you pay to:

- A dependent for whom you (or your spouse if you are married) can claim an exemption, or
- Your child who is under age 19 at the end of the year, even if he or she is not your dependent.

## Line 1

### Care Providers

Complete columns (a) through (e) for each person or organization that provided the care. If you do not give the information asked for in each column, or if the information you give is not correct, your credit and, if applicable, the exclusion of employer-provided dependent care benefits may be disallowed.

You can use **Form HW-16**, "Dependent Care Provider's Identification and Certification", to get the correct information from the care provider. (This form is available at our website, by calling our Taxpayer Services Branch, and at any district tax office.) If the provider does not comply with your request to certify the information, complete the entries you can, such as the provider's name and address. Write "See attached" in the columns for which you do not have the provider's certification of information. Attach a statement that you requested the information from the care provider, but the provider did not comply with your request. You must keep records to show that you exercised due diligence in attempting to provide the required information. For more details, including what is considered "due diligence," see federal Publication 503.

**Columns (a) and (b).** Enter the care provider's name and address. If you were covered by your employer's dependent care plan and your employer furnished the care (either at your workplace or by hiring a care provider), enter your employer's name in column (a), write "See W-2" in column (b), and leave columns (c) through (e) blank. But if your employer paid a third party (not hired by your employer) on your behalf to provide the care, you must give information on the third party in columns (a) through (e).

**Column (c).** If the care provider is an individual, enter his or her social security number (SSN). If the individual is an alien and was issued an individual taxpayer identification number (ITIN) by the IRS, enter the ITIN. If the individual has applied for an ITIN but the IRS has not yet issued the ITIN, write "Applied For". For other than an individual, enter provider's federal employer identification number (FEIN). If the provider is a tax-exempt organization, write "Tax-Exempt" in column (c).

**Column (d).** Enter the care provider's Hawaii Tax I.D. Number. If the provider is a tax-exempt charitable organization (IRC section 501(c)(3)), enter "Tax-Exempt".

**Column (e).** Enter the total amount you **actually paid** during the taxable year to the care provider. Also include amounts your employer paid on your behalf to a third party. It does not matter when the expenses were incurred. Do not reduce this amount by any reimbursement you received.

## Line 2

### Dependent Care Benefits

If you received dependent care benefits from an employer (you have a federal form W-2 that has an amount in Box 10), enter the amount shown in Box 10 of your W-2 form(s).

If you were self-employed or a partner, include amounts you received under a dependent care assistance program from your sole proprietorship or partnership.

## Line 4

### Amount Forfeited or Carried Forward to 2010

If you participated in an employee plan in which the amount you contributed to an employer-paid dependent care benefit plan was deducted from your income, and you did not receive the full benefit from this plan, you may be entitled to deduct the amount forfeited on this line. See your employer for the forfeited amount you are allowed to deduct.

Also include on this line any amount you did not receive but are permitted by your employer to carry forward and use in the following year during a grace period.

## Line 8

### Your Earned Income

In general, earned income is wages, salaries, tips, and other employee compensation. It also includes net earnings from self-employment. For more information, see the instructions to lines 18 and 19 below.

## Line 9

### Spouse's Earned Income

If your filing status is Married Filing Jointly, enter your spouse's earned income on this line.

If your filing status is Married Filing Separately, see *Certain Married Individuals Living Apart and Filing Separate Returns* on page 37. If you are

considered unmarried under that rule, enter your earned income (from line 8) on this line. If you are **not** considered unmarried under that rule, enter your spouse's earned income on line 9.

If your spouse was a student or disabled in 2009, see *Spouse Who Is a Full-time Student or Is Disabled* discussed on this page.

All other taxpayers should enter the amount on line 8.

## Line 11

### Taxable Benefits

Enter the amount from the following worksheet.

- |          |   |       |
|----------|---|-------|
| <b>a</b> | Enter the amount from Schedule X, Part III, line 2 that you received from your sole proprietorship or partnership. If you did not receive any such amounts, enter -0-.....  | _____ |
| <b>b</b> | Enter the amount from Schedule X, Part III, line 5.....   | _____ |
| <b>c</b> | Line b minus line a.....  | _____ |
| <b>d</b> | Enter \$5,000 (\$2,500 if married filing separately and you were required to enter your spouse's earned income on Schedule X, Part III, line 9).....  | _____ |
| <b>e</b> | Enter the amount from Schedule X, Part III, line 10.....  | _____ |
| <b>f</b> | <b>Deductible benefits.</b> Enter the smallest of line a, line d, or line e. Also, include this amount on the appropriate line(s) of your return.....   | _____ |
| <b>g</b> | Enter the <b>smaller</b> of line d or line e.....   | _____ |
| <b>h</b> | Enter the amount from line f.....   | _____ |
| <b>i</b> | <b>Excluded benefits.</b> Line g minus line h. If zero or less, enter -0-.....  | _____ |
| <b>j</b> | <b>Taxable benefits.</b> Line c minus line i. If zero or less, enter -0-. Enter the result here and on line 11 of Schedule X, Part III. Also, include this amount on line 7 of Form N-15. On the corresponding dotted line write "DCB"..... | _____ |

## Line 16

### Qualifying Person(s)

Complete columns (a) through (d) for each qualifying person. If you have more than three qualifying persons, attach a statement to your return with the required information. Be sure to put your name and social security number on the statement. Also, write "See attached" on the dotted line next to line 17.

**Column (a).** Enter each qualifying person's name.

**Column (b).** Enter the qualifying person's relationship to you.

**Column (c).** Enter the qualifying person's social security number.

**Column (d).** Enter the qualified expenses you incurred and paid in 2009 for the person listed in column (a). Do not include in column (d) qualified expenses:

- You incurred in 2009 but did not pay until 2010. You may be able to use these expenses to increase your 2010 credit.
- You incurred in 2008 but did not pay until 2009. Instead, see the instructions for line 23 on page 39.
- You prepaid in 2009 for care to be provided in 2010. These expenses may only be used to figure your 2010 credit.

## Lines 18 and 19

### Earned Income Limit

The amount of your qualified expenses cannot be more than your earned income or, if married filing a joint return, the smaller of your earned income or your spouse's earned income.

In general, earned income is wages, salaries, tips, and other employee compensation. It also includes net earnings from self-employment.

**Unmarried taxpayers.** If you are unmarried at the end of 2009 or are treated as being unmarried at the end of the year, enter your earned income on line 18.

**Married Taxpayers.** If you are married filing a joint return, figure each spouse's earned income separately and disregard community property laws. Enter your earned income on line 18 and your spouse's earned income on line 19.

**Spouse Who Is a Full-time Student or Is Disabled.** If your spouse was a full-time student or was mentally or physically unable to care for himself or herself, figure your spouse's earned income on a monthly basis to determine your spouse's earned income for the year. For each month that your spouse was disabled or a full-time student, your spouse is considered to have earned income of not less than \$200 a month (\$400 a month if more than one qualifying person was cared for in 2009). But if your spouse also worked during



any month and earned more than that amount, use his or her actual earned income.

For any month that your spouse was not disabled or a full-time student, use your spouse's actual earned income if your spouse worked during the month.

If, in the same month, both you and your spouse were full-time students and did not work, you cannot use any amount paid that month to figure the credit. The same applies to a couple who did not work because neither was capable of self-care.

**A full-time student** is one who was enrolled in a school for the number of hours or classes that is considered full time. The student must have been enrolled at least 5 months during 2009.

**Self-employment Income.** You must reduce your earned income by any loss from self-employment. If you only have a loss from self-employment, or your loss is more than your other earned income, you cannot take the credit.

## Line 23

### Amount of the Credit

If you had qualified expenses for 2008 that you did not pay until 2009, you may be able to increase the amount of credit you can take in 2009. To do this, multiply the 2008 expenses you paid in 2009 by the applicable percentage from the table on line 22 that applies to your 2008 adjusted gross income. Your 2008 expenses must be within the 2008 limits. Attach a computation showing how you figured the increase. If you can take a credit for your 2008 expenses, write "PYE" and the amount of the credit on the dotted line next to line 23. Enter the total amount of the credit on line 23. Also enter this amount on Form N-15, line 53.

# Worksheets

## Interest Worksheet

1. Enter the total interest on Form(s) 1099-INT and 1099-OID, and other interest received, including interest on out-of-state municipal bonds and municipal bond mutual funds, U.S. Savings Bonds and other federal obligations, Hawaii bonds, and Guam, Puerto Rico, U.S. Virgin Island, and American Samoa bonds .... \_\_\_\_\_
2. Enter the interest on U.S. Savings Bonds and other federal obligations; Hawaii bond interest; and Guam, Puerto Rico, U.S. Virgin Islands, and American Samoa bond interest. \_\_\_\_\_
3. Enter the interest earned by an Individual Retirement Account, Individual Housing Account, Individual Development Account, Qualified Tuition Program, Medical Savings Account, and Health Savings Account. \_\_\_\_\_
4. Add lines 2 and 3 ..... \_\_\_\_\_
5. Line 1 minus line 4. Enter the result on Form N-15, line 8, Column A ..... \_\_\_\_\_
6. Enter the amount of interest income on line 5 that was derived from all sources for the period of residency. (**Note:** Nonresidents, enter zero.) ..... \_\_\_\_\_
7. Enter the amount of interest income on line 5 that was derived from intangible assets that have acquired a situs in Hawaii for the period of nonresidency (e.g., interest income received on an agreement of sale of real property located in Hawaii) ..... \_\_\_\_\_
8. Add lines 6 and 7. Enter the result on Form N-15, line 8, Column B ..... \_\_\_\_\_

## Form N-15 — State Tax Refund Worksheet

1. Enter your State tax overpayment (line 58) from your 2008 return. If you are a nonresident, do not enter more than the amount on your 2008 Itemized Deduction Worksheet NR-2, line 8 (Hawaii income taxes paid or withheld). If you are a part-year resident, do not enter more than the amount of state and local income taxes included on your 2008 Itemized Deduction Worksheet PY-2, line 14 ..... \_\_\_\_\_
2. Enter from your 2008 Form N-15 the following:
  - a. Refundable food/excise tax credit (line 51) ..... \_\_\_\_\_
  - b. Credit for low-income household renter (line 52) ..... \_\_\_\_\_
  - c. Credit for child and dependent care expenses (line 53) .. \_\_\_\_\_
  - d. Credit for child passenger restraint system(s) (line 54) ... \_\_\_\_\_
  - e. Credit for \$1 general income tax (line 55) ..... \_\_\_\_\_
  - f. Carryover of the residential construction and remodeling tax credit (Schedule CR, line 11) ..... \_\_\_\_\_
3. Add lines 2a through 2f ..... \_\_\_\_\_
4. Line 1 minus line 3. If zero or less, stop here; otherwise continue on to line 5 ..... \_\_\_\_\_
5. Enter amount from your 2008 Form N-15, line 39 ..... \_\_\_\_\_
6. Enter the amount shown below for the filing status you claimed on your 2008 Form N-15 ..... \_\_\_\_\_
 

Single or married filing separately—	\$2,000
Married filing jointly or qualifying widow(er)—	4,000
Head of household—	2,920
7. Enter the ratio of your Hawaii AGI to Total AGI (line 37) from your 2008 return\* ..... \_\_\_\_\_
8. Multiply line 6 by line 7 ..... \_\_\_\_\_
9. Line 5 minus line 8. Enter the result, but not less than zero ..... \_\_\_\_\_
10. Compare the amounts on lines 4 and 9 above and enter the SMALLER of the two amounts here and on Form N-15, line 10, Columns A and B. This is the **taxable** part of your refund ..... \_\_\_\_\_

\***Note:** If Form N-11 or N-13 was filed in 2008, enter 1.

## Form N-15 — Capital Gain/Loss Worksheet

**Note:** Report only **Hawaii** capital gain/loss.

1. Enter the net gain or (loss) from sales of capital assets held for one year or less ..... \_\_\_\_\_
2. Enter the short-term capital gain or (loss) reported to you on any Schedule(s) K-1 ..... \_\_\_\_\_
3. Enter the short-term capital gain or (loss) not included on lines 1 and 2, such as from federal Forms 4684, 6252, 6781, and 8824 ..... \_\_\_\_\_
4. Short-term gain from stock acquired through stock options from qualified high technology businesses ..... (      )
5. Section 235-7(a)(13), HRS, short-term gain (See Instructions) ..... (      )
6. Enter your short-term capital loss carryover from 2008 .. (      )
7. **Net short-term gain/(loss).** Combine lines 1 through 6 ..... \_\_\_\_\_
8. Enter the net gain or (loss) from sales of capital assets held for more than one year ..... \_\_\_\_\_
9. Enter the capital gain distributions reported to you on Form 1099-DIV ..... \_\_\_\_\_
10. Enter the long-term capital gain or (loss) reported to you on any Schedule(s) K-1 ..... \_\_\_\_\_
11. Enter the long-term capital gain or (loss) not included on lines 8 to 10, such as from federal Forms 2439, 4684, 6252, 6781, and 8824; and Hawaii Schedule D-1. .... \_\_\_\_\_
12. Long-term gain from stock acquired through stock options from qualified high technology businesses ..... (      )
13. Section 235-7(a)(13), HRS, long-term gain (See Instructions) ..... (      )
14. Enter your long-term capital loss carryover from 2008 .... (      )
15. **Net long-term gain/(loss).** Combine lines 8 through 14 ..... \_\_\_\_\_
16. **Net capital gain/(loss).** Combine lines 7 and 15 ..... \_\_\_\_\_

If both lines 15 and 16 are gains, enter the amount from line 16 on Form N-15, line 13, Column B. You may be able to reduce your tax by using the *Tax on Capital Gains Worksheet* on page 43 if your taxable income is over \$48,000 (\$24,000 for Single, and Married Filing Separately; or \$36,000 for Head of Household classifications). Enter the amounts from lines 15 and 16 on the *Tax on Capital Gains Worksheet*, lines 4 and 7, respectively, on page 43.

If line 16 is a (loss), continue with the rest of the worksheet below to figure what to enter on Form N-15 and how much of your loss you can carry over to next year.

17. Enter (\$3,000), or, if married filing separately, (\$1,500) .. \_\_\_\_\_
18. Compare lines 16 and 17, and write the smaller loss here.  
Enter this amount on Form N-15, line 13, Column B ..... \_\_\_\_\_

### Capital Loss Carryovers to 2010

19. Enter the amount from Form N-15, line 41. If the amount is negative, write it as a (loss) ..... \_\_\_\_\_
20. Enter the amount on line 18 as a positive number ..... \_\_\_\_\_
21. Combine lines 19 and 20. If this amount is zero or less, enter -0- ..... \_\_\_\_\_
22. Enter the smaller of line 20 or line 21 ..... \_\_\_\_\_
23. If you have a net short-term loss on line 7, enter that amount as a positive number here. Otherwise, enter -0- here and go to line 28 ..... \_\_\_\_\_
24. If you have a net long-term gain on line 15, enter that number here. Otherwise, enter -0- here ..... \_\_\_\_\_
25. Enter the amount from line 22 ..... \_\_\_\_\_
26. Add lines 24 and 25 ..... \_\_\_\_\_
27. Line 23 minus line 26. If zero or less, enter -0-. This is your **short-term capital loss carryover to 2010** ..... \_\_\_\_\_
28. If you have a net long-term loss on line 15, enter that amount as a positive number here. Otherwise, **stop here** ..... \_\_\_\_\_
29. If you have a net short-term gain on line 7, enter that number here. Otherwise, enter -0- here ..... \_\_\_\_\_
30. Line 22 minus line 23. If zero or less, enter -0- ..... \_\_\_\_\_
31. Add lines 29 and 30 ..... \_\_\_\_\_
32. Line 28 minus line 31. If zero or less, enter -0-. This is your **long-term capital loss carryover to 2010** ..... \_\_\_\_\_

# Worksheets (continued)

## Itemized Deductions Worksheet — For Nonresidents

1. Enter the amount from Form N-15, line 36, Column B (Hawaii adjusted gross income).....	18. Other than by cash or check (if any gift of \$250 or more, see page 24 of Instructions) (attach federal Form 8283 if over \$500) .....
2. Enter the amount from Form N-15, line 36, Column A (adjusted gross income from all sources).....	19. Carryover from prior year.....
3. Line 1 divided by line 2 .....	20. Add lines 17 through 19.....
<b>WORKSHEET NR-1— Medical and Dental Expenses</b>	
4. Enter amount of medical and dental expenses (see page 21 of Instructions) .....	21. Multiply line 3 by line 20. Enter total here and on Form N-15, line 38d .....
5. Multiply line 3 by line 4.....	<b>WORKSHEET NR-5—Casualties and Thefts</b>
6. Multiply line 1 by 7.5% (.075).....	22. Total casualty and theft loss(es) from Form 4684, line 16 on property located in Hawaii (see instructions on page 24).....
7. Line 5 minus line 6. If zero or less, enter zero. Enter the result here and on Form N-15, line 38a.....	23. Multiply line 1 by 10% (0.10).....
<b>WORKSHEET NR-2 – Taxes You Paid</b>	24. Line 22 minus line 23. If zero or less, <b>stop here.</b> Otherwise, enter this amount on Form N-15, line 38e.....
8. State and local ( <b>check only one box</b> ):	<b>WORKSHEET NR-6—Miscellaneous Deductions</b>
a <input type="checkbox"/> Hawaii income taxes, or	25. Unreimbursed employee business expenses—job travel, union dues, job education—related to a job whose income is subject to taxation in Hawaii (attach federal Form 2106 or Form 2106-EZ if required).....
b <input type="checkbox"/> General sales taxes (Enter amount of general sales taxes multiplied by line 3) .....	26. Other miscellaneous deductions directly associated with activities or properties producing income which is taxable to Hawaii (see page 25 of Instructions).....
9. Real estate taxes paid on property located in Hawaii .....	27. Other miscellaneous deductions that cannot be linked to a specific activity or property .....
10. Add lines 8 and 9. Enter the total here and on Form N-15, line 38b .....	28. Multiply line 3 by line 27 .....
<b>WORKSHEET NR-3 – Interest You Paid</b>	29. Add lines 25, 26, and 28 .....
<b>Caution:</b> Enter only home mortgage interest secured by a property located in Hawaii and points paid thereon.	30. Multiply line 1 by 2% (0.02).....
11. Home mortgage interest and points reported to you on federal Form 1098.....	31. Line 29 minus line 30. Enter the result, but not less than zero .....
12. Home mortgage interest not reported to you on federal Form 1098.....	32. Other deductions not subject to 2% AGI limit (see instructions on page 25) which are directly associated with activities or properties producing income which is taxable to Hawaii.....
13. Points not reported to you on Form 1098 (see federal instructions to Form 1040, Schedule A, line 12 for special rules) .....	33. Other deductions not subject to 2% AGI limit that cannot be linked to a specific activity or property .....
14. Qualified mortgage insurance premiums .....	34. Multiply line 3 by line 33.....
15. Investment interest from property having situs in Hawaii (attach Form N-158).....	35. Add lines 31, 32, and 34. Enter total here and on Form N-15, line 38f .....
16. Add lines 11 through 15. Enter the total here and on Form N-15, line 38c .....	
<b>WORKSHEET NR-4—Gifts to Charity</b>	
17. Enter amount of gifts by cash or check (if any gift of \$250 or more, see page 24 of Instructions).....	



# Worksheets (continued)

## Itemized Deductions Worksheet — For Part-Year Residents

<p>1. Enter the amount from Form N-15, line 36, Column B (Hawaii adjusted gross income).....</p> <p>2. Enter the amount from Form N-15, line 36, Column A (adjusted gross income from all sources).....</p> <p>3. Line 1 divided by line 2 .....</p> <p><b>WORKSHEET PY-1— Medical and Dental Expenses</b></p> <p>4. Enter amount of medical and dental expenses (see page 21 of Instructions) .....</p> <p>5. Multiply line 3 by line 4.....</p> <p>6. Multiply line 1 by 7.5% (.075).....</p> <p>7. Line 5 minus line 6. If zero or less, enter zero. Enter the result here and on Form N-15, line 38a.....</p> <p><b>WORKSHEET PY-2 – Taxes You Paid</b></p> <p>8. State and local (<b>check only one box</b>):</p> <p style="margin-left: 20px;">a <input type="checkbox"/> Income taxes, or</p> <p style="margin-left: 20px;">b <input type="checkbox"/> General sales taxes.....</p> <p>9. Real estate taxes .....</p> <p>10. Personal property taxes .....</p> <p>11. Other taxes.....</p> <p>12. Add lines 8 through 11 .....</p> <p>13. Taxes on out-of-state income earned while nonresident (such as tax withheld on an out-of-state job); and real property taxes paid on property located out-of-state while nonresident.....</p> <p>14. Taxes on Hawaii income OR on income earned while resident in Hawaii; and real property taxes paid on property located in Hawaii OR paid on property located out-of-state while resident in Hawaii .....</p> <p>15. Add lines 13 and 14 .....</p> <p>16. Line 12 minus line 15 .....</p> <p>17. Multiply line 3 by line 16.....</p> <p>18. Add lines 14 and 17. Enter the total here and on Form N-15, line 38b .....</p> <p><b>WORKSHEET PY-3 – Interest You Paid</b></p> <p>19. Home mortgage interest and points reported to you on federal Form 1098.....</p> <p>20. Home mortgage interest not reported to you on federal Form 1098.....</p> <p>21. Points not reported to you on Form 1098 (see federal instructions to Form 1040, Schedule A, line 12 for special rules) .....</p> <p>22. Qualified mortgage insurance premiums .....</p> <p>23. Investment interest (attach Form N-158).....</p> <p>24. Add lines 19 through 23.....</p> <p>25. Home mortgage interest, points, qualified mortgage insurance premiums, and investment interest paid on property located out-of-state while nonresident .....</p> <p>26. Home mortgage interest, points, qualified mortgage insurance premiums, and investment interest paid on property located in Hawaii OR paid on property located out-of-state while resident in Hawaii .....</p> <p>27. Add lines 25 and 26 .....</p> <p>28. Line 24 minus line 27 .....</p> <p>29. Multiply line 3 by line 28.....</p> <p>30. Add lines 26 and 29. Enter the total here and on Form N-15, line 38c .....</p> <p><b>WORKSHEET PY-4—Gifts to Charity</b></p> <p>31. Enter amount of gifts by cash or check (if any gift of \$250 or more, see page 24 of Instructions).....</p>	<p>32. Other than by cash or check (if any gift of \$250 or more, see page 24 of Instructions) (attach federal Form 8283 if over \$500) .....</p> <p>33. Carryover from prior year.....</p> <p>34. Add lines 31 through 33.....</p> <p>35. Multiply line 3 by line 34. Enter total here and on Form N-15, line 38d .....</p> <p><b>WORKSHEET PY-5—Casualties and Thefts</b></p> <p>36. Total casualty and theft loss(es) from Form 4684, line 16 (see instructions on page 24).....</p> <p>37. Casualty and theft losses on property located out-of-state while nonresident.....</p> <p>38. Casualty and theft losses on property located in Hawaii OR on property located out-of-state while resident in Hawaii.....</p> <p>39. Add lines 37 and 38 .....</p> <p>40. Line 36 minus line 39 .....</p> <p>41. Multiply line 3 by line 40.....</p> <p>42. Add lines 38 and 41 .....</p> <p>43. Multiply line 1 by 10% (0.10).....</p> <p>44. Line 42 minus line 43. If this line is zero or less, <b>stop here.</b> Otherwise, enter this amount on Form N-15, line 38e.....</p> <p><b>WORKSHEET PY-6—Miscellaneous Deductions</b></p> <p>45. Unreimbursed employee business expenses—job travel, union dues, job education (attach federal Form 2106 or Form 2106-EZ if required).....</p> <p>46. Tax preparation fees.....</p> <p>47. Other expenses (investment, safe deposit box, etc.) (list type and amount, and attach the list to your return).....</p> <p>48. Add lines 45 to 47 .....</p> <p>49. Miscellaneous deductions directly associated with activities or properties producing income which is not taxable to Hawaii.....</p> <p>50. Miscellaneous deductions directly associated with activities or properties producing income which is taxable to Hawaii (see page 25 of Instructions).....</p> <p>51. Add lines 49 and 50 .....</p> <p>52. Line 48 minus line 51 .....</p> <p>53. Multiply line 3 by line 52.....</p> <p>54. Add lines 50 and 53 .....</p> <p>55. Multiply line 1 by 2% (0.02).....</p> <p>56. Line 54 minus line 55. Enter the result, but not less than zero .....</p> <p>57. Other deductions not subject to 2% AGI limit (see instructions on page 25) (list type and amount, and attach the list to your return) .....</p> <p>58. Political contributions .....</p> <p>59. Add lines 57 and 58 .....</p> <p>60. Deductions directly associated with activities or properties producing income which is not taxable to Hawaii.....</p> <p>61. Deductions directly associated with activities or properties producing income which is taxable to Hawaii (see page 25 of Instructions) .....</p> <p>62. Add lines 60 and 61 .....</p> <p>63. Line 59 minus line 62 .....</p> <p>64. Multiply line 3 by line 63.....</p> <p>65. Add lines 56, 61, and 64. Enter total here and on Form N-15, line 38f .....</p>
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## Worksheets (continued)

### Form N-15 — Total Itemized Deductions Worksheet

1. Add the amounts on Form N-15, lines 38a through 38f. \_\_\_\_\_
2. Add the amounts on Form N-15, lines 38a and 38e, and the amount of investment interest. \_\_\_\_\_
3. Line 1 minus line 2 (If the result is zero or less, **STOP HERE**; enter the amount from line 1 above on Form N-15, line 39). \_\_\_\_\_
4. Multiply line 3 above by 80% (.80). \_\_\_\_\_
5. Enter the amount from Form N-15, line 36, Column B. \_\_\_\_\_
6. Enter \$100,000 (\$50,000 if married filing separately). \_\_\_\_\_
7. Line 5 minus line 6. (If the result is zero or less, **STOP HERE**; enter the amount from line 1 above on Form N-15, line 39.) \_\_\_\_\_
8. Multiply line 7 by 3% (.03). \_\_\_\_\_
9. Enter the **SMALLER** of line 4 or line 8. \_\_\_\_\_
10. Divide line 9 by 3.0. \_\_\_\_\_
11. **Total itemized deductions.** Line 1 minus line 10. Enter the result here and on Form N-15, line 39. \_\_\_\_\_

### Tax on Capital Gains Worksheet

**Note:** Do not use this worksheet if (1) you do not have a **Hawaii** net capital gain, or (2) your taxable income is \$48,000 (\$24,000 for Single, and Married Filing Separately; or \$36,000 for Head of Household classifications) or under.

1. Enter your taxable income from Form N-15, line 43. \_\_\_\_\_
2. Enter your net long-term capital gain (Form 1040, Sch. D, line 15; or Form 1040, line 13 if Sch. D is not required) .. \_\_\_\_\_
3. Combine your Hawaii long-term adjustments, if any, and enter the total here. \_\_\_\_\_
4. Combine lines 2 and 3. This is your Hawaii net long-term capital gain. \_\_\_\_\_
5. Enter your net capital gain (Form 1040, Sch. D, line 16; or Form 1040, line 13 if Sch. D is not required) .. \_\_\_\_\_
6. Combine your Hawaii short-term adjustments, if any, and enter the total here. \_\_\_\_\_
7. Combine lines 3, 5, and 6. This is your Hawaii net capital gain. \_\_\_\_\_
8. Enter the **smaller** of line 4 or line 7. \_\_\_\_\_
9. If you are filing Form N-158, enter the amount from line 4e of Form N-158. \_\_\_\_\_
10. Line 8 minus line 9. (If this amount is zero or less, **stop here**; you **cannot** use this worksheet to figure your tax.) \_\_\_\_\_
11. Line 1 minus line 10. \_\_\_\_\_
12. Enter the amount shown below for the filing status you claimed. \_\_\_\_\_  
 Single or Married filing separately— \$24,000  
 Married filing jointly or qualifying widow(er)— 48,000  
 Head of household— 36,000
13. Enter the **greater** of line 11 or line 12. \_\_\_\_\_
14. Line 1 minus line 13. This is the amount of net capital gains eligible for alternative tax. \_\_\_\_\_
15. Compute the tax on the amount on line 13 using the Tax Table or Tax Rate Schedules, whichever applies. \_\_\_\_\_
16. Multiply line 14 by 7.25% (.0725) and enter the result. ....
17. Line 15 plus line 16. \_\_\_\_\_
18. Compute the tax on the amount on line 1 using the Tax Table or Tax Rate Schedules, whichever applies. \_\_\_\_\_
19. Enter the smaller of line 17 or line 18 here and on line **a** of the *Tax Computation Worksheet* above. If line 17 is smaller, enter the amount from line 14 in the space provided beside Form N-15, line 44a. \_\_\_\_\_

### Tax Computation Worksheet

Enter the tax amount calculated from **a** or **b**.

- a** Tax Table, Tax Rate Schedule, or Tax on Capital Gains Worksheet ... \_\_\_\_\_
- b** Form N-168 or Form N-615. ....
- c** Enter any additional tax from Form N-2, Distribution from an Individual Housing Account. ....
- d** Enter any additional tax from Form N-103, Sale of Your Home. ....
- e** Enter any additional tax from Form N-152, Tax on Lump-Sum Distributions. ....
- f** Enter any additional tax from Form N-312, Recapture of Capital Goods Excise Tax Credit. ....
- g** Enter any additional tax from Form N-318, Recapture of High Technology Business Investment Tax Credit. ....
- h** Enter any additional tax from Form N-338, Tax Credit for Flood Victims. ....
- i** Enter any additional tax from Form N-405, Tax on Accumulation Distribution of Trusts. ....
- j** Enter any additional tax from Form N-586, Recapture of Low-Income Housing Tax Credit. ....
- k** Enter any additional tax from Form N-814, Parent's Election to Report Child's Interest and Dividends. ....
- l** Add lines **a** or **b**, and **c** through **k**. This is your total tax. Enter the result here and on Form N-15, line 44. ....

**Note:** If you entered any amount in lines **b** through **k**, fill in the oval before "... if tax..." is included" on Form N-15, line 44.

### Other State and Foreign Tax Credit Worksheet

**Note:** This credit may **not** be claimed by nonresidents, unless they are married and filing a joint resident or joint part-year resident return.

1. Enter taxable income from Form N-15, line 43. ....
2. Enter amount of long-term capital gain from the space provided beside Form N-15, line 44a. ....
3. Enter the amount of your out-of-state income, **including** capital gains. Do **not** include any income that is exempt in Hawaii such as employer-funded pensions. ....
4. Enter the amount of long-term capital gains from sources outside the State. ....
5. Enter the amount of tax you paid to **other States** on income you reported in Column B while you were a Hawaii resident, except for tax paid on income that is exempt in Hawaii. ....
6. Enter the amount of tax you paid to **foreign countries** or to U.S. possessions, except for tax paid on income that is exempt in Hawaii. ....
7. Enter the amount of the federal foreign tax credit you were allowed to take this year. Do not include amounts carried over to other years, or amounts from prior years that were carried forward to this year. ....
8. Line 6 minus line 7. ....
9. Line 5 plus line 8. This is the total amount of out-of-state tax eligible for the credit. ....
10. Line 1 minus line 3. This is your Hawaii source income. ....
11. Line 2 minus line 4. This is your Hawaii source long-term capital gain. If line 4 exceeds line 2, enter zero here. ....
12. Line 10 minus line 11. This is your Hawaii ordinary income. ....
13. Enter your tax amount from line **a** or line **b** of the *Tax Computation Worksheet* above. ....
14. Figure the Hawaii tax on the amount on line 12. Use the Tax Table or Tax Rate Schedules. ....
15. Multiply the amount on line 11 by 7.25% (0.0725). ....
16. Add lines 14 and 15. ....
17. Line 13 minus line 16. ....
18. Compare lines 9 and 17. Enter the **smaller** amount here and on Schedule CR, line 1. Any excess **cannot** be carried forward. ....

## Worksheets (continued)

### Adoption Benefits Worksheet

**Caution:** See the federal instructions to Form 8839, Qualified Adoption Expenses, before completing this worksheet.

	Child 1	Child 2
1. Maximum exclusion per child .....	<u>\$10,000</u>	<u>\$10,000</u>
2. Did you receive <b>employer-provided adoption benefits</b> for a prior year for the same child? <b>No.</b> Enter -0-. <b>Yes.</b> See the federal instructions for the amount to enter. ....	_____	_____
3. Subtract line 2 from line 1 .....	_____	_____
4. <b>Employer-provided adoption benefits</b> you received in 2009. This amount should be shown in box 12 of your 2009 W-2 form(s) with code <b>T</b> .....	_____	_____
5. Add the amounts on line 4 .....	_____	_____
6. Enter the <b>smaller</b> of line 3 or line 4. But if the child was a child with special needs and the adoption became final in 2009, enter the amount from line 3. ....	_____	_____
7. Add the amounts on line 6. If zero, skip lines 8-11, enter -0- on line 12, and go to line 13 .....	_____	_____
8. Enter your Hawaii modified adjusted gross income* .....	_____	_____
9. Is line 8 more than \$150,000? <b>No.</b> Skip lines 9-10 and enter -0- on line 11. <b>Yes.</b> Subtract \$150,000 from line 8. ....	_____	_____
10. Divide line 9 by \$40,000. Enter the result as a decimal (rounded to at least three places). Do not enter more than "1.000" .....	_____	_____
11. Multiply line 7 by line 10 .....	_____	_____
12. <b>Excluded benefits.</b> Subtract line 11 from line 7 .....	_____	_____
13. <b>Taxable benefits.</b> Is line 12 more than line 5? <b>No.</b> Subtract line 12 from line 5. Also, include this amount, if more than zero, on Form N-15, line 7, Column B. On the dotted line next to line 7, write "AB". <b>Yes.</b> Subtract line 5 from line 12. Enter the result as a negative number. Reduce the total you would enter on Form N-15, line 7, Column B, by the amount on line 13 of this worksheet, and enter the result on Form N-15, line 7, Column B. On the dotted line next to line 7, write "SNE" .....	_____	_____

\***Hawaii modified adjusted gross income** is your Hawaii adjusted gross income (Form N-15, line 36, Column B), determined without regard to the amount of the student loan interest deduction, plus the amount of employer-provided adoption benefits from the *Adoption Benefits Worksheet*, line 5.

### Student Loan Interest Deduction Worksheet

1. Enter the total interest you paid in 2009 on qualified student loans. **Do not** enter more than \$2,500.....
2. Enter your total modified adjusted gross income from all sources\*\*.....  
**Note:** If line 2 is \$65,000 or more if single, head of household, or qualifying widow(er) **OR** \$130,000 or more if married filing jointly, **stop here.** You **cannot** take the deduction.
3. Enter: \$50,000 if single, head of household, or qualifying widow(er);  
\$100,000 if married filing jointly.....
4. Is the amount on line 2 more than the amount on line 3?  
**No.** Skip lines 4 and 5, enter -0- on line 6, and go to line 7.  
**Yes.** Subtract line 3 from line 2. ....
5. Divide line 4 by \$15,000 (\$30,000 if married filing jointly). Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000. ....
6. Multiply line 1 by line 5. ....
7. **Student loan interest deduction.** Subtract line 6 from line 1. Enter the result here and on Form N-15, line 24, Column A. ....
8. Divide your Hawaii adjusted gross income by your total adjusted gross income from all sources. In this step, do not include any adjustments for the student loan interest deduction. Enter the result as a decimal (rounded to at least three places) .....
9. Multiply line 7 by line 8. Enter the result here and on Form N-15, line 24, Column B .....

**\*\*Total modified adjusted gross income from all sources** is your total adjusted gross income from all sources determined without regard to the amount of the student loan interest deduction.



## Worksheets (continued)

### Personal Exemptions Worksheet

1. Is the amount on Form N-15, line 36, Column B, more than the amount shown on line 4 below for your filing status?  
**No.** STOP. Multiply \$1,040 by the total number of exemptions claimed on Form N-15, line 6e, and enter the result on Form N-15, line 42a. If you are claiming the disability exemption, enter that amount on Form N-15, line 42a.  
**Yes.** Go to line 2.
2. Multiply \$1,040 by the total number of exemptions claimed on Form N-15, line 6e. If you are claiming the disability exemption, enter that amount. ....
3. Enter the amount from Form N-15, line 36, Column B. ....
4. Enter the amount shown below for your filing status. ....  
Single—\$119,963  
Married filing jointly or qualifying widow(er)—\$179,963  
Married filing separately—\$89,981  
Head of household—\$149,963
5. Subtract line 4 from line 3. ....
6. Is line 5 more than \$122,500 (\$61,250 if married filing separately)?  
**Yes.** Multiply line 2 by 2/3. Enter the result here and on Form N-15, line 42a. Do not complete the rest of this worksheet.  
**No.** Divide line 5 by \$2,500 (\$1,250 if married filing separately). If the result is not a whole number, increase it to the next higher whole number (for example, increase 0.0004 to 1).....
7. Multiply line 6 by 2% (.02) and enter the result as a decimal. ....
8. Multiply line 2 by line 7. ....
9. Divide line 8 by 3.0. ....
10. Deduction for exemptions. Subtract line 9 from line 2. Enter the result here and on Form N-15, line 42a. ....

# MISSING CHILD CENTER

HAWAII



## Missing Child Center-Hawaii

Department of the Attorney General

425 Queen Street, Honolulu, HI 96813

Phone: (808) 586-1449 Fax: (808) 586-1424

Email: hawaiimissingkids@hawaii.gov

Website: www.missingchildcenterhawaii.com

# Hawaii's Missing & Endangered Children

## MISSING SINCE 05/27/1997



CURRENT AGE 13 yrs  
MISSING AGE 3 yrs  
HEIGHT 3 ft. 1 in.  
WEIGHT 45 lbs.  
HAIR Light Brown/  
Blonde Highlights  
EYES Brown/Hazel  
RACE Caucasian, Egyptian,  
(Middle-East Ethnicity)

**Sarah Elgohary**

**Alias: Dowsha**

### MISSING FROM: Honolulu, Hawaii

Child has been known as "Dowsha" since birth and probably would not respond to Sarah. She is believed to be with her non-custodial father who has a deep cleft chin, kinky hair usually worn short and speaks English with a heavy accent and Arabic. He may also seek employment as a delivery or taxi driver or in the fields of computers or accounting. Father and daughter are believed to be in Egypt.

If Seen Please Call

Honolulu Police Department, Det. Erik Iinuma 808-529-3062 or 911 or Missing Child Center- Hawaii at 808-586-1449 or The National Center for Missing and Exploited Children at 1-800-the-lost

## MISSING SINCE 02/11/1988



CURRENT AGE 32 yrs  
MISSING AGE 12 yrs  
HEIGHT 4 ft. 11 in.  
WEIGHT 75 lbs.  
HAIR Black  
EYES Brown  
RACE Chinese



Age Progressed  
to 27

**Jie Zhao Li**

### MISSING FROM: Honolulu, Hawaii

Jie Zhao Li was last seen selling chili tickets in Nuuanu near a convenience store.

If Seen Please Call

Honolulu Police Department, Missing Persons 808-529-3115 or 911 or Missing Child Center-Hawaii at 808-586-1449 or the National Center for Missing & Exploited Children at 1-800-the-lost

## MISSING SINCE 09/11/1997



AGE NOW 16 yrs  
AGE 8 yrs  
HGT 4ft  
WGT 45-50lbs  
HAIR Black  
EYES Brown  
RACE Filipino,  
Hawaiian



Age Progressed  
to Age 14

**Peter Kema Jr.**  
**Aka: Peter Boy**

### MISSING FROM: Hilo, Hawaii

Peter was last seen in mid-August when he allegedly accompanied his father to Honolulu. Peter's father alleges he last saw him in mid-September when he turned custody over to a relative known to him as Auntie Rose at A'ala Park. Neither Peter or Rose have been seen since.

If Seen Please Call

Hawaii County Police Department at 808-961-2211 or Big Island Crimestoppers at 808-961-8300 or Missing Child Center- Hawaii at 808-586-1449 or the National Center for Missing and Exploited Children at 1-800-the-lost

## MISSING SINCE 10/13/2003



AGE NOW 18 yrs  
AGE 15 yrs old  
HGT 5 ft. 1 in.  
WGT 180 lbs.  
HAIR Brown  
EYES Brown  
RACE Caucasian,  
Asian



Age Progressed  
to Age 17

**Cristian Sedeno**  
**Nickname: Cris**

### MISSING FROM: Honolulu, Hawaii

Cristian was last seen at Ala Moana Shopping Center on 10/13/2003. Her photo is shown age progressed to 17. She may be still on Oahu or may have traveled to Las Vegas, Nevada.

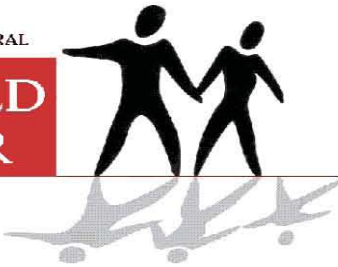
If Seen Please Call

Honolulu Police Department, Runaway Detail, Officer Walter Gouveia at 529-3879 or 529-3886 or 911 or Missing Child Center- Hawaii at 586-1449 or the National Center for Missing and Exploited Children at 1-800-the-lost



# MISSING CHILD CENTER

HAWAII



## Missing Child Center-Hawaii

Department of the Attorney General

425 Queen Street, Honolulu, HI 96813

Phone: (808) 586-1449 Fax: (808) 586-1424

Email: hawaiimissingkids@hawaii.gov

Website: www.missingchildcenterhawaii.com

# Hawaii's Missing & Endangered Children

## MISSING SINCE OCTOBER 18, 1995



AGE 15 yrs  
HEIGHT 5 ft. 1 in.  
WEIGHT 110 lbs.  
HAIR Ash Blonde,  
Wavy  
EYES Blue/Green  
Grey  
RACE Caucasian

Age Progressed to 26

**Noquisi-Ama Blossom**

Nicknames: Quis or Daisia

### MISSING FROM: Makawao, Maui

Both photos are of Noquisi-Ama. She may have left Hawaii. Noquisi-Ama has a pierced nose, a scar on her left index finger, and a scar above her right eye.

If Seen Please Call Maui Police Department, Criminal Investigation Division at (808) 244-6454 or 911

## MISSING SINCE MAY 21, 2004



AGE NOW 7 yrs  
AGE 4 yrs  
HEIGHT 3 ft. 7 in.  
WEIGHT 40 lbs.  
HAIR Black, Straight  
EYES Brown  
RACE Japanese

**Marina Kaneda**

### MISSING FROM: Honolulu, Hawaii

She is believed to be in Japan with her non-custodial mother.

If Seen Please Call Honolulu Police Department, Detective Claire Lum Lee at (808) 529-3062 or 911

## MISSING SINCE JUNE 22, 1990



AGE NOW 22 yrs  
AGE 5 yrs old  
HGT 3 ft.  
WGT 45 lbs.  
HAIR Blonde  
EYES Hazel  
RACE Caucasian



**Therese Vanderheiden-Walsh** Age Progressed to Age 17

### MISSING FROM: Kailua, Oahu Hawaii

She has pierced ears and moles on her back and shoulders.  
She was abducted by her non-custodial mother.

If Seen Please Call Honolulu Police Department, Criminal Investigation Division at (808) 529-3115 or 911

## MISSING SINCE JUNE 21, 1977



AGE NOW 29  
HAIR Blonde  
EYES Blue  
RACE Caucasian

Age Progressed to Age 28

**Marx Moriarty**

### MISSING FROM: Hauula, Oahu

Marx was last seen with his mother on the morning of June 21, 1977 when they went out for a walk. Marx's baby stroller was found later that same day at a bus stop on Kamehameha Highway in Hauula but neither Marx nor his mother have been heard from since. Marx may use the last name Barnes.

If Seen, Please Call Honolulu Police Department Crime Stoppers at (808) 955-8300 or 911

08/13/08



DEPARTMENT OF THE ATTORNEY GENERAL

## MISSING CHILD CENTER

HAWAII



### Missing Child Center-Hawaii

Department of the Attorney General

425 Queen Street, Honolulu, HI 96813

Phone: (808) 586-1449 Fax: (808) 586-1424

Email: [hawaiimissingkids@hawaii.gov](mailto:hawaiimissingkids@hawaii.gov)

Website: [www.missingchildcenterhawaii.com](http://www.missingchildcenterhawaii.com)

# Hawaii's Missing & Endangered Children

## MISSING SINCE JULY 12, 2002



AGE NOW 11 yrs  
AGE 7 yrs old  
HGT 4 ft. 3 in.  
WGT 65 lbs.  
HAIR Black  
EYES Brown  
RACE Filipino



Age Progressed  
to Age 10

Daniel Santiago

**MISSING FROM:**  
**Honolulu, Hawaii**

Daniel is believed to be with his father Victorio Abueg Santiago

If Seen, Please Call

**Honolulu Police Department**

**(808) 529-3394 or 911**

or Missing Child Center-Hawaii (808) 586-1449

## MISSING SINCE JULY 12, 2002



AGE NOW 15 yrs  
AGE 11 yrs old  
HGT 4 ft. 6 in.  
WGT 83 lbs.  
HAIR Black  
EYES Brown  
RACE Asian



Age Progressed  
to Age 14

Noel Santiago

**MISSING FROM:**  
**Honolulu, Hawaii**

Noel is believed to be with his father Victorio Abueg Santiago

If Seen, Please Call

**Honolulu Police Department**

**(808) 529-3394 or 911**

or Missing Child Center-Hawaii (808) 586-1449

## MISSING SINCE MAY 20, 1995



AGE NOW 19 yrs  
AGE 8 yrs old  
HGT 4 ft. 2 in.  
WGT 50 lbs.  
HAIR Black  
EYES Brown  
RACE Asian

Katsu-yo Ong

**MISSING FROM:**  
**Honolulu, Hawaii**

Katsu-yo Ong is believed to be with her non-custodial mother Nobuya Yabuta

If Seen, Please Call

**Honolulu Police Department**

**(808) 529-3062 or 911**

or Missing Child Center-Hawaii (808) 586-1449

## MISSING SINCE MAY 20, 1995



AGE NOW 22 yrs  
AGE 10 yrs old  
HGT 4 ft. 9 in.  
WGT 60 lbs.  
HAIR Black  
EYES Brown  
RACE Asian

Norika Ong

**MISSING FROM:**  
**Honolulu, Hawaii**

Norika Ong is believed to be with her non-custodial mother Nobuya Yabuta

If Seen, Please Call

**Honolulu Police Department**

**(808) 529-3062 or 911**

or Missing Child Center-Hawaii (808) 586-1449

# **2009 TAX TABLES**

**Tax Table Must Be Used By Persons With Taxable  
Income Of Less Than \$100,000**

# 2009 Hawaii Tax Table

Based on Taxable Income  
For persons with taxable  
incomes of less than  
\$100,000

**Example:** Mr. & Mrs. Brown are filing a joint return. Their taxable income on line 43 is \$23,275. First, they find the \$23,250 - 23,300 income line. Next, they find the column for married filing jointly and read down the column. The amount shown where the income line and filing status column meet is \$1,010. This is the tax amount they must write on line 44 of their return.

At least		But less than	Single or Married filing separately			Married filing jointly *			Head of a household		
23,250		23,300	1,301			1,010			1,136		
23,300		23,350	1,305			1,013			1,139		
23,350		23,400	1,309			1,016			1,143		

If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
Your tax is —					Your tax is —					Your tax is —				
0	50	0	0	0	2,500	2,550	38	35	35	5,000				
50	100	1	1	1	2,550	2,600	40	36	36	5,000	5,050	122	74	96
100	150	2	2	2	2,600	2,650	41	37	37	5,050	5,100	125	76	97
150	200	2	2	2	2,650	2,700	43	37	37	5,100	5,150	128	77	99
200	250	3	3	3	2,700	2,750	44	38	38	5,150	5,200	131	79	100
										5,200	5,250	133	81	102
250	300	4	4	4	2,750	2,800	46	39	39					
300	350	5	5	5	2,800	2,850	48	40	40	5,250	5,300	136	82	104
350	400	5	5	5	2,850	2,900	49	40	40	5,300	5,350	139	84	105
400	450	6	6	6	2,900	2,950	51	41	41	5,350	5,400	142	85	107
450	500	7	7	7	2,950	3,000	52	42	42	5,400	5,450	144	87	108
										5,450	5,500	147	89	110
500	550	7	7	7	3,000									
550	600	8	8	8	3,000	3,050	54	42	42	5,500	5,550	150	90	112
600	650	9	9	9	3,050	3,100	56	43	43	5,550	5,600	153	92	113
650	700	9	9	9	3,100	3,150	57	44	44	5,600	5,650	155	93	115
700	750	10	10	10	3,150	3,200	59	44	44	5,650	5,700	158	95	116
					3,200	3,250	60	45	45	5,700	5,750	161	97	118
750	800	11	11	11										
800	850	12	12	12	3,250	3,300	62	46	46	5,750	5,800	164	98	120
850	900	12	12	12	3,300	3,350	64	47	47	5,800	5,850	166	100	121
900	950	13	13	13	3,350	3,400	65	47	47	5,850	5,900	169	101	123
950	1,000	14	14	14	3,400	3,450	67	48	48	5,900	5,950	172	103	124
					3,450	3,500	68	49	49	5,950	6,000	175	105	126
1,000										6,000				
1,000	1,050	14	14	14	3,500	3,550	70	49	49	6,000	6,050	177	106	128
1,050	1,100	15	15	15	3,550	3,600	72	50	50	6,050	6,100	180	108	129
1,100	1,150	16	16	16	3,600	3,650	73	51	51	6,100	6,150	183	109	131
1,150	1,200	16	16	16	3,650	3,700	75	51	52	6,150	6,200	186	111	132
1,200	1,250	17	17	17	3,700	3,750	76	52	54	6,200	6,250	188	113	134
1,250	1,300	18	18	18	3,750	3,800	78	53	56	6,250	6,300	191	114	136
1,300	1,350	19	19	19	3,800	3,850	80	54	57	6,300	6,350	194	116	137
1,350	1,400	19	19	19	3,850	3,900	81	54	59	6,350	6,400	197	117	139
1,400	1,450	20	20	20	3,900	3,950	83	55	60	6,400	6,450	199	119	140
1,450	1,500	21	21	21	3,950	4,000	84	56	62	6,450	6,500	202	121	142
					4,000									
1,500	1,550	21	21	21	4,000	4,050	86	56	64	6,500	6,550	205	122	144
1,550	1,600	22	22	22	4,050	4,100	88	57	65	6,550	6,600	208	124	145
1,600	1,650	23	23	23	4,100	4,150	89	58	67	6,600	6,650	210	125	147
1,650	1,700	23	23	23	4,150	4,200	91	58	68	6,650	6,700	213	127	148
1,700	1,750	24	24	24	4,200	4,250	92	59	70	6,700	6,750	216	129	150
1,750	1,800	25	25	25	4,250	4,300	94	60	72	6,750	6,800	219	130	152
1,800	1,850	26	26	26	4,300	4,350	96	61	73	6,800	6,850	221	132	153
1,850	1,900	26	26	26	4,350	4,400	97	61	75	6,850	6,900	224	133	155
1,900	1,950	27	27	27	4,400	4,450	99	62	76	6,900	6,950	227	135	156
1,950	2,000	28	28	28	4,450	4,500	100	63	78	6,950	7,000	230	137	158
2,000														
2,000	2,050	28	28	28	4,500	4,550	102	63	80					
2,050	2,100	29	29	29	4,550	4,600	104	64	81					
2,100	2,150	30	30	30	4,600	4,650	105	65	83					
2,150	2,200	30	30	30	4,650	4,700	107	65	84					
2,200	2,250	31	31	31	4,700	4,750	108	66	86					
2,250	2,300	32	32	32	4,750	4,800	110	67	88					
2,300	2,350	33	33	33	4,800	4,850	111	68	89					
2,350	2,400	33	33	33	4,850	4,900	114	69	91					
2,400	2,450	35	34	34	4,900	4,950	117	71	92					
2,450	2,500	36	35	35	4,950	5,000	120	73	94					

\*This column must also be used by qualifying widow(er)

Continued on next page



**2009 Hawaii Tax Table (Continued)**

If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold
<b>Your tax is —</b>					<b>Your tax is —</b>					<b>Your tax is —</b>				
<b>7,000</b>					<b>10,000</b>					<b>13,000</b>				
7,000	7,050	232	138	160	10,000	10,050	401	244	321	13,000	13,050	593	409	486
7,050	7,100	235	140	161	10,050	10,100	404	247	324	13,050	13,100	596	412	489
7,100	7,150	238	141	163	10,100	10,150	408	250	327	13,100	13,150	600	415	492
7,150	7,200	241	143	164	10,150	10,200	411	253	330	13,150	13,200	603	418	495
7,200	7,250	243	145	167	10,200	10,250	414	255	332	13,200	13,250	606	420	497
7,250	7,300	246	146	170	10,250	10,300	417	258	335	13,250	13,300	609	423	500
7,300	7,350	249	148	173	10,300	10,350	420	261	338	13,300	13,350	612	426	503
7,350	7,400	252	149	176	10,350	10,400	424	264	341	13,350	13,400	616	429	506
7,400	7,450	254	151	178	10,400	10,450	427	266	343	13,400	13,450	619	431	508
7,450	7,500	257	153	181	10,450	10,500	430	269	346	13,450	13,500	622	434	511
7,500	7,550	260	154	184	10,500	10,550	433	272	349	13,500	13,550	625	437	514
7,550	7,600	263	156	187	10,550	10,600	436	275	352	13,550	13,600	628	440	517
7,600	7,650	265	157	189	10,600	10,650	440	277	354	13,600	13,650	632	442	519
7,650	7,700	268	159	192	10,650	10,700	443	280	357	13,650	13,700	635	445	522
7,700	7,750	271	161	195	10,700	10,750	446	283	360	13,700	13,750	638	448	525
7,750	7,800	274	162	198	10,750	10,800	449	286	363	13,750	13,800	641	451	528
7,800	7,850	276	164	200	10,800	10,850	452	288	365	13,800	13,850	644	453	530
7,850	7,900	279	165	203	10,850	10,900	456	291	368	13,850	13,900	648	456	533
7,900	7,950	282	167	206	10,900	10,950	459	294	371	13,900	13,950	651	459	536
7,950	8,000	285	169	209	10,950	11,000	462	297	374	13,950	14,000	654	462	539
<b>8,000</b>					<b>11,000</b>					<b>14,000</b>				
8,000	8,050	287	170	211	11,000	11,050	465	299	376	14,000	14,050	657	464	541
8,050	8,100	290	172	214	11,050	11,100	468	302	379	14,050	14,100	660	467	544
8,100	8,150	293	173	217	11,100	11,150	472	305	382	14,100	14,150	664	470	547
8,150	8,200	296	175	220	11,150	11,200	475	308	385	14,150	14,200	667	473	550
8,200	8,250	298	177	222	11,200	11,250	478	310	387	14,200	14,250	670	475	552
8,250	8,300	301	178	225	11,250	11,300	481	313	390	14,250	14,300	673	478	555
8,300	8,350	304	180	228	11,300	11,350	484	316	393	14,300	14,350	676	481	558
8,350	8,400	307	181	231	11,350	11,400	488	319	396	14,350	14,400	680	484	561
8,400	8,450	309	183	233	11,400	11,450	491	321	398	14,400	14,450	684	486	564
8,450	8,500	312	185	236	11,450	11,500	494	324	401	14,450	14,500	687	489	567
8,500	8,550	315	186	239	11,500	11,550	497	327	404	14,500	14,550	691	492	570
8,550	8,600	318	188	242	11,550	11,600	500	330	407	14,550	14,600	694	495	573
8,600	8,650	320	189	244	11,600	11,650	504	332	409	14,600	14,650	697	497	576
8,650	8,700	323	191	247	11,650	11,700	507	335	412	14,650	14,700	701	500	580
8,700	8,750	326	193	250	11,700	11,750	510	338	415	14,700	14,750	704	503	583
8,750	8,800	329	194	253	11,750	11,800	513	341	418	14,750	14,800	708	506	586
8,800	8,850	331	196	255	11,800	11,850	516	343	420	14,800	14,850	711	508	589
8,850	8,900	334	197	258	11,850	11,900	520	346	423	14,850	14,900	714	511	592
8,900	8,950	337	199	261	11,900	11,950	523	349	426	14,900	14,950	718	514	596
8,950	9,000	340	201	264	11,950	12,000	526	352	429	14,950	15,000	721	517	599
<b>9,000</b>					<b>12,000</b>					<b>15,000</b>				
9,000	9,050	342	202	266	12,000	12,050	529	354	431	15,000	15,050	725	519	602
9,050	9,100	345	204	269	12,050	12,100	532	357	434	15,050	15,100	728	522	605
9,100	9,150	348	205	272	12,100	12,150	536	360	437	15,100	15,150	731	525	608
9,150	9,200	351	207	275	12,150	12,200	539	363	440	15,150	15,200	735	528	612
9,200	9,250	353	209	277	12,200	12,250	542	365	442	15,200	15,250	738	530	615
9,250	9,300	356	210	280	12,250	12,300	545	368	445	15,250	15,300	742	533	618
9,300	9,350	359	212	283	12,300	12,350	548	371	448	15,300	15,350	745	536	621
9,350	9,400	362	213	286	12,350	12,400	552	374	451	15,350	15,400	748	539	624
9,400	9,450	364	215	288	12,400	12,450	555	376	453	15,400	15,450	752	541	628
9,450	9,500	367	217	291	12,450	12,500	558	379	456	15,450	15,500	755	544	631
9,500	9,550	370	218	294	12,500	12,550	561	382	459	15,500	15,550	759	547	634
9,550	9,600	373	220	297	12,550	12,600	564	385	462	15,550	15,600	762	550	637
9,600	9,650	376	222	299	12,600	12,650	568	387	464	15,600	15,650	765	552	640
9,650	9,700	379	225	302	12,650	12,700	571	390	467	15,650	15,700	769	555	644
9,700	9,750	382	228	305	12,700	12,750	574	393	470	15,700	15,750	772	558	647
9,750	9,800	385	231	308	12,750	12,800	577	396	473	15,750	15,800	776	561	650
9,800	9,850	388	233	310	12,800	12,850	580	398	475	15,800	15,850	779	563	653
9,850	9,900	392	236	313	12,850	12,900	584	401	478	15,850	15,900	782	566	656
9,900	9,950	395	239	316	12,900	12,950	587	404	481	15,900	15,950	786	569	660
9,950	10,000	398	242	319	12,950	13,000	590	407	484	15,950	16,000	789	572	663

\*This column must also be used by qualifying widow(er)

Continued on next page

**2009 Hawaii Tax Table (Continued)**

If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold
<b>Your tax is —</b>					<b>Your tax is —</b>					<b>Your tax is —</b>				
<b>16,000</b>					<b>19,000</b>					<b>22,000</b>				
16,000	16,050	793	574	666	19,000	19,050	997	739	858	22,000	22,050	1,211	930	1,051
16,050	16,100	796	577	669	19,050	19,100	1,000	742	861	22,050	22,100	1,215	933	1,054
16,100	16,150	799	580	672	19,100	19,150	1,003	745	864	22,100	22,150	1,219	936	1,058
16,150	16,200	803	583	676	19,150	19,200	1,007	748	868	22,150	22,200	1,222	939	1,061
16,200	16,250	806	585	679	19,200	19,250	1,010	751	871	22,200	22,250	1,226	943	1,065
16,250	16,300	810	588	682	19,250	19,300	1,013	754	874	22,250	22,300	1,229	946	1,068
16,300	16,350	813	591	685	19,300	19,350	1,017	757	877	22,300	22,350	1,233	949	1,071
16,350	16,400	816	594	688	19,350	19,400	1,021	760	880	22,350	22,400	1,237	952	1,075
16,400	16,450	820	596	692	19,400	19,450	1,024	763	884	22,400	22,450	1,240	955	1,078
16,450	16,500	823	599	695	19,450	19,500	1,028	767	887	22,450	22,500	1,244	959	1,082
16,500	16,550	827	602	698	19,500	19,550	1,031	770	890	22,500	22,550	1,247	962	1,085
16,550	16,600	830	605	701	19,550	19,600	1,035	773	893	22,550	22,600	1,251	965	1,088
16,600	16,650	833	607	704	19,600	19,650	1,039	776	896	22,600	22,650	1,255	968	1,092
16,650	16,700	837	610	708	19,650	19,700	1,042	779	900	22,650	22,700	1,258	971	1,095
16,700	16,750	840	613	711	19,700	19,750	1,046	783	903	22,700	22,750	1,262	975	1,099
16,750	16,800	844	616	714	19,750	19,800	1,049	786	906	22,750	22,800	1,265	978	1,102
16,800	16,850	847	618	717	19,800	19,850	1,053	789	909	22,800	22,850	1,269	981	1,105
16,850	16,900	850	621	720	19,850	19,900	1,057	792	912	22,850	22,900	1,273	984	1,109
16,900	16,950	854	624	724	19,900	19,950	1,060	795	916	22,900	22,950	1,276	987	1,112
16,950	17,000	857	627	727	19,950	20,000	1,064	799	919	22,950	23,000	1,280	991	1,116
<b>17,000</b>					<b>20,000</b>					<b>23,000</b>				
17,000	17,050	861	629	730	20,000	20,050	1,067	802	922	23,000	23,050	1,283	994	1,119
17,050	17,100	864	632	733	20,050	20,100	1,071	805	925	23,050	23,100	1,287	997	1,122
17,100	17,150	867	635	736	20,100	20,150	1,075	808	928	23,100	23,150	1,291	1,000	1,126
17,150	17,200	871	638	740	20,150	20,200	1,078	811	932	23,150	23,200	1,294	1,003	1,129
17,200	17,250	874	640	743	20,200	20,250	1,082	815	935	23,200	23,250	1,298	1,007	1,133
17,250	17,300	878	643	746	20,250	20,300	1,085	818	938	23,250	23,300	1,301	1,010	1,136
17,300	17,350	881	646	749	20,300	20,350	1,089	821	941	23,300	23,350	1,305	1,013	1,139
17,350	17,400	884	649	752	20,350	20,400	1,093	824	944	23,350	23,400	1,309	1,016	1,143
17,400	17,450	888	651	756	20,400	20,450	1,096	827	948	23,400	23,450	1,312	1,019	1,146
17,450	17,500	891	654	759	20,450	20,500	1,100	831	951	23,450	23,500	1,316	1,023	1,150
17,500	17,550	895	657	762	20,500	20,550	1,103	834	954	23,500	23,550	1,319	1,026	1,153
17,550	17,600	898	660	765	20,550	20,600	1,107	837	957	23,550	23,600	1,323	1,029	1,156
17,600	17,650	901	662	768	20,600	20,650	1,111	840	960	23,600	23,650	1,327	1,032	1,160
17,650	17,700	905	665	772	20,650	20,700	1,114	843	964	23,650	23,700	1,330	1,035	1,163
17,700	17,750	908	668	775	20,700	20,750	1,118	847	967	23,700	23,750	1,334	1,039	1,167
17,750	17,800	912	671	778	20,750	20,800	1,121	850	970	23,750	23,800	1,337	1,042	1,170
17,800	17,850	915	673	781	20,800	20,850	1,125	853	973	23,800	23,850	1,341	1,045	1,173
17,850	17,900	918	676	784	20,850	20,900	1,129	856	976	23,850	23,900	1,345	1,048	1,177
17,900	17,950	922	679	788	20,900	20,950	1,132	859	980	23,900	23,950	1,348	1,051	1,180
17,950	18,000	925	682	791	20,950	21,000	1,136	863	983	23,950	24,000	1,352	1,055	1,184
<b>18,000</b>					<b>21,000</b>					<b>24,000</b>				
18,000	18,050	929	684	794	21,000	21,050	1,139	866	986	24,000	24,050	1,356	1,058	1,187
18,050	18,100	932	687	797	21,050	21,100	1,143	869	989	24,050	24,100	1,360	1,061	1,190
18,100	18,150	935	690	800	21,100	21,150	1,147	872	992	24,100	24,150	1,364	1,064	1,194
18,150	18,200	939	693	804	21,150	21,200	1,150	875	996	24,150	24,200	1,367	1,067	1,197
18,200	18,250	942	695	807	21,200	21,250	1,154	879	999	24,200	24,250	1,371	1,071	1,201
18,250	18,300	946	698	810	21,250	21,300	1,157	882	1,002	24,250	24,300	1,375	1,074	1,204
18,300	18,350	949	701	813	21,300	21,350	1,161	885	1,005	24,300	24,350	1,379	1,077	1,207
18,350	18,400	952	704	816	21,350	21,400	1,165	888	1,008	24,350	24,400	1,383	1,080	1,211
18,400	18,450	956	706	820	21,400	21,450	1,168	891	1,012	24,400	24,450	1,386	1,083	1,214
18,450	18,500	959	709	823	21,450	21,500	1,172	895	1,015	24,450	24,500	1,390	1,087	1,218
18,500	18,550	963	712	826	21,500	21,550	1,175	898	1,018	24,500	24,550	1,394	1,090	1,221
18,550	18,600	966	715	829	21,550	21,600	1,179	901	1,021	24,550	24,600	1,398	1,093	1,224
18,600	18,650	969	717	832	21,600	21,650	1,183	904	1,024	24,600	24,650	1,402	1,096	1,228
18,650	18,700	973	720	836	21,650	21,700	1,186	907	1,027	24,650	24,700	1,405	1,099	1,231
18,700	18,750	976	723	839	21,700	21,750	1,190	911	1,031	24,700	24,750	1,409	1,103	1,235
18,750	18,800	980	726	842	21,750	21,800	1,193	914	1,034	24,750	24,800	1,413	1,106	1,238
18,800	18,850	983	728	845	21,800	21,850	1,197	917	1,037	24,800	24,850	1,417	1,109	1,241
18,850	18,900	986	731	848	21,850	21,900	1,201	920	1,041	24,850	24,900	1,421	1,112	1,245
18,900	18,950	990	734	852	21,900	21,950	1,204	923	1,044	24,900	24,950	1,424	1,115	1,248
18,950	19,000	993	737	855	21,950	22,000	1,208	927	1,048	24,950	25,000	1,428	1,119	1,252

\*This column must also be used by qualifying widow(er)

Continued on next page

**2009 Hawaii Tax Table (Continued)**

If line 43 (taxable income) is —			And you are —			If line 43 (taxable income) is —			And you are —			If line 43 (taxable income) is —			And you are —		
At least	But less than		Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than		Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than		Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold
<b>Your tax is —</b>						<b>Your tax is —</b>						<b>Your tax is —</b>					
<b>25,000</b>						<b>28,000</b>						<b>31,000</b>					
25,000	25,050	1,432	1,122	1,255	25,000	28,050	1,660	1,314	1,459	31,000	31,050	1,888	1,514	1,672			
25,050	25,100	1,436	1,125	1,258	28,050	28,100	1,664	1,317	1,462	31,050	31,100	1,892	1,518	1,676			
25,100	25,150	1,440	1,128	1,262	28,100	28,150	1,668	1,320	1,466	31,100	31,150	1,896	1,521	1,679			
25,150	25,200	1,443	1,131	1,265	28,150	28,200	1,671	1,323	1,469	31,150	31,200	1,899	1,525	1,683			
25,200	25,250	1,447	1,135	1,269	28,200	28,250	1,675	1,327	1,473	31,200	31,250	1,903	1,528	1,687			
25,250	25,300	1,451	1,138	1,272	28,250	28,300	1,679	1,330	1,476	31,250	31,300	1,907	1,531	1,690			
25,300	25,350	1,455	1,141	1,275	28,300	28,350	1,683	1,333	1,479	31,300	31,350	1,911	1,535	1,694			
25,350	25,400	1,459	1,144	1,279	28,350	28,400	1,687	1,336	1,483	31,350	31,400	1,915	1,538	1,697			
25,400	25,450	1,462	1,147	1,282	28,400	28,450	1,690	1,339	1,486	31,400	31,450	1,918	1,542	1,701			
25,450	25,500	1,466	1,151	1,286	28,450	28,500	1,694	1,343	1,490	31,450	31,500	1,922	1,545	1,705			
25,500	25,550	1,470	1,154	1,289	28,500	28,550	1,698	1,346	1,493	31,500	31,550	1,926	1,548	1,708			
25,550	25,600	1,474	1,157	1,292	28,550	28,600	1,702	1,349	1,496	31,550	31,600	1,930	1,552	1,712			
25,600	25,650	1,478	1,160	1,296	28,600	28,650	1,706	1,352	1,500	31,600	31,650	1,934	1,555	1,715			
25,650	25,700	1,481	1,163	1,299	28,650	28,700	1,709	1,355	1,503	31,650	31,700	1,937	1,559	1,719			
25,700	25,750	1,485	1,167	1,303	28,700	28,750	1,713	1,359	1,507	31,700	31,750	1,941	1,562	1,723			
25,750	25,800	1,489	1,170	1,306	28,750	28,800	1,717	1,362	1,510	31,750	31,800	1,945	1,565	1,726			
25,800	25,850	1,493	1,173	1,309	28,800	28,850	1,721	1,365	1,514	31,800	31,850	1,949	1,569	1,730			
25,850	25,900	1,497	1,176	1,313	28,850	28,900	1,725	1,368	1,517	31,850	31,900	1,953	1,572	1,733			
25,900	25,950	1,500	1,179	1,316	28,900	28,950	1,728	1,372	1,521	31,900	31,950	1,956	1,576	1,737			
25,950	26,000	1,504	1,183	1,320	28,950	29,000	1,732	1,375	1,525	31,950	32,000	1,960	1,579	1,741			
<b>26,000</b>						<b>29,000</b>						<b>32,000</b>					
26,000	26,050	1,508	1,186	1,323	29,000	29,050	1,736	1,378	1,528	32,000	32,050	1,964	1,582	1,744			
26,050	26,100	1,512	1,189	1,326	29,050	29,100	1,740	1,382	1,532	32,050	32,100	1,968	1,586	1,748			
26,100	26,150	1,516	1,192	1,330	29,100	29,150	1,744	1,385	1,535	32,100	32,150	1,972	1,589	1,751			
26,150	26,200	1,519	1,195	1,333	29,150	29,200	1,747	1,389	1,539	32,150	32,200	1,975	1,593	1,755			
26,200	26,250	1,523	1,199	1,337	29,200	29,250	1,751	1,392	1,543	32,200	32,250	1,979	1,596	1,759			
26,250	26,300	1,527	1,202	1,340	29,250	29,300	1,755	1,395	1,546	32,250	32,300	1,983	1,599	1,762			
26,300	26,350	1,531	1,205	1,343	29,300	29,350	1,759	1,399	1,550	32,300	32,350	1,987	1,603	1,766			
26,350	26,400	1,535	1,208	1,347	29,350	29,400	1,763	1,402	1,553	32,350	32,400	1,991	1,606	1,769			
26,400	26,450	1,538	1,211	1,350	29,400	29,450	1,766	1,406	1,557	32,400	32,450	1,994	1,610	1,773			
26,450	26,500	1,542	1,215	1,354	29,450	29,500	1,770	1,409	1,561	32,450	32,500	1,998	1,613	1,777			
26,500	26,550	1,546	1,218	1,357	29,500	29,550	1,774	1,412	1,564	32,500	32,550	2,002	1,616	1,780			
26,550	26,600	1,550	1,221	1,360	29,550	29,600	1,778	1,416	1,568	32,550	32,600	2,006	1,620	1,784			
26,600	26,650	1,554	1,224	1,364	29,600	29,650	1,782	1,419	1,571	32,600	32,650	2,010	1,623	1,787			
26,650	26,700	1,557	1,227	1,367	29,650	29,700	1,785	1,423	1,575	32,650	32,700	2,013	1,627	1,791			
26,700	26,750	1,561	1,231	1,371	29,700	29,750	1,789	1,426	1,579	32,700	32,750	2,017	1,630	1,795			
26,750	26,800	1,565	1,234	1,374	29,750	29,800	1,793	1,429	1,582	32,750	32,800	2,021	1,633	1,798			
26,800	26,850	1,569	1,237	1,377	29,800	29,850	1,797	1,433	1,586	32,800	32,850	2,025	1,637	1,802			
26,850	26,900	1,573	1,240	1,381	29,850	29,900	1,801	1,436	1,589	32,850	32,900	2,029	1,640	1,805			
26,900	26,950	1,576	1,243	1,384	29,900	29,950	1,804	1,440	1,593	32,900	32,950	2,032	1,644	1,809			
26,950	27,000	1,580	1,247	1,388	29,950	30,000	1,808	1,443	1,597	32,950	33,000	2,036	1,647	1,813			
<b>27,000</b>						<b>30,000</b>						<b>33,000</b>					
27,000	27,050	1,584	1,250	1,391	30,000	30,050	1,812	1,446	1,600	33,000	33,050	2,040	1,650	1,816			
27,050	27,100	1,588	1,253	1,394	30,050	30,100	1,816	1,450	1,604	33,050	33,100	2,044	1,654	1,820			
27,100	27,150	1,592	1,256	1,398	30,100	30,150	1,820	1,453	1,607	33,100	33,150	2,048	1,657	1,823			
27,150	27,200	1,595	1,259	1,401	30,150	30,200	1,823	1,457	1,611	33,150	33,200	2,051	1,661	1,827			
27,200	27,250	1,599	1,263	1,405	30,200	30,250	1,827	1,460	1,615	33,200	33,250	2,055	1,664	1,831			
27,250	27,300	1,603	1,266	1,408	30,250	30,300	1,831	1,463	1,618	33,250	33,300	2,059	1,667	1,834			
27,300	27,350	1,607	1,269	1,411	30,300	30,350	1,835	1,467	1,622	33,300	33,350	2,063	1,671	1,838			
27,350	27,400	1,611	1,272	1,415	30,350	30,400	1,839	1,470	1,625	33,350	33,400	2,067	1,674	1,841			
27,400	27,450	1,614	1,275	1,418	30,400	30,450	1,842	1,474	1,629	33,400	33,450	2,070	1,678	1,845			
27,450	27,500	1,618	1,279	1,422	30,450	30,500	1,846	1,477	1,633	33,450	33,500	2,074	1,681	1,849			
27,500	27,550	1,622	1,282	1,425	30,500	30,550	1,850	1,480	1,636	33,500	33,550	2,078	1,684	1,852			
27,550	27,600	1,626	1,285	1,428	30,550	30,600	1,854	1,484	1,640	33,550	33,600	2,082	1,688	1,856			
27,600	27,650	1,630	1,288	1,432	30,600	30,650	1,858	1,487	1,643	33,600	33,650	2,086	1,691	1,859			
27,650	27,700	1,633	1,291	1,435	30,650	30,700	1,861	1,491	1,647	33,650	33,700	2,089	1,695	1,863			
27,700	27,750	1,637	1,295	1,439	30,700	30,750	1,865	1,494	1,651	33,700	33,750	2,093	1,698	1,867			
27,750	27,800	1,641	1,298	1,442	30,750	30,800	1,869	1,497	1,654	33,750	33,800	2,097	1,701	1,870			
27,800	27,850	1,645	1,301	1,445	30,800	30,850	1,873	1,501	1,658	33,800	33,850	2,101	1,705	1,874			
27,850	27,900	1,649	1,304	1,449	30,850	30,900	1,877	1,504	1,661	33,850	33,900	2,105	1,708	1,877			
27,900	27,950	1,652	1,307	1,452	30,900	30,950	1,880	1,508	1,665	33,900	33,950	2,108	1,712	1,881			
27,950	28,000	1,656	1,311	1,456	30,950	31,000	1,884	1,511	1,669	33,950	34,000	2,112	1,715	1,885			

\*This column must also be used by qualifying widow(er)

Continued on next page



# 2009 Hawaii Tax Table (Continued)

If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold
Your tax is —					Your tax is —					Your tax is —				
<b>34,000</b>					<b>37,000</b>					<b>40,000</b>				
34,000	34,050	2,116	1,718	1,888	37,000	37,050	2,347	1,922	2,108	40,000	40,050	2,584	2,133	2,336
34,050	34,100	2,120	1,722	1,892	37,050	37,100	2,351	1,926	2,112	40,050	40,100	2,588	2,137	2,340
34,100	34,150	2,124	1,725	1,895	37,100	37,150	2,355	1,929	2,116	40,100	40,150	2,592	2,140	2,344
34,150	34,200	2,127	1,729	1,899	37,150	37,200	2,359	1,933	2,119	40,150	40,200	2,596	2,144	2,347
34,200	34,250	2,131	1,732	1,903	37,200	37,250	2,363	1,936	2,123	40,200	40,250	2,600	2,147	2,351
34,250	34,300	2,135	1,735	1,906	37,250	37,300	2,367	1,939	2,127	40,250	40,300	2,604	2,151	2,355
34,300	34,350	2,139	1,739	1,910	37,300	37,350	2,371	1,943	2,131	40,300	40,350	2,608	2,155	2,359
34,350	34,400	2,143	1,742	1,913	37,350	37,400	2,375	1,946	2,135	40,350	40,400	2,612	2,158	2,363
34,400	34,450	2,146	1,746	1,917	37,400	37,450	2,379	1,950	2,138	40,400	40,450	2,616	2,162	2,366
34,450	34,500	2,150	1,749	1,921	37,450	37,500	2,383	1,953	2,142	40,450	40,500	2,620	2,165	2,370
34,500	34,550	2,154	1,752	1,924	37,500	37,550	2,386	1,956	2,146	40,500	40,550	2,623	2,169	2,374
34,550	34,600	2,158	1,756	1,928	37,550	37,600	2,390	1,960	2,150	40,550	40,600	2,627	2,173	2,378
34,600	34,650	2,162	1,759	1,931	37,600	37,650	2,394	1,963	2,154	40,600	40,650	2,631	2,176	2,382
34,650	34,700	2,165	1,763	1,935	37,650	37,700	2,398	1,967	2,157	40,650	40,700	2,635	2,180	2,385
34,700	34,750	2,169	1,766	1,939	37,700	37,750	2,402	1,970	2,161	40,700	40,750	2,639	2,183	2,389
34,750	34,800	2,173	1,769	1,942	37,750	37,800	2,406	1,973	2,165	40,750	40,800	2,643	2,187	2,393
34,800	34,850	2,177	1,773	1,946	37,800	37,850	2,410	1,977	2,169	40,800	40,850	2,647	2,191	2,397
34,850	34,900	2,181	1,776	1,949	37,850	37,900	2,414	1,980	2,173	40,850	40,900	2,651	2,194	2,401
34,900	34,950	2,184	1,780	1,953	37,900	37,950	2,418	1,984	2,176	40,900	40,950	2,655	2,198	2,404
34,950	35,000	2,188	1,783	1,957	37,950	38,000	2,422	1,987	2,180	40,950	41,000	2,659	2,201	2,408
<b>35,000</b>					<b>38,000</b>					<b>41,000</b>				
35,000	35,050	2,192	1,786	1,960	38,000	38,050	2,426	1,990	2,184	41,000	41,050	2,663	2,205	2,412
35,050	35,100	2,196	1,790	1,964	38,050	38,100	2,430	1,994	2,188	41,050	41,100	2,667	2,209	2,416
35,100	35,150	2,200	1,793	1,967	38,100	38,150	2,434	1,997	2,192	41,100	41,150	2,671	2,212	2,420
35,150	35,200	2,203	1,797	1,971	38,150	38,200	2,438	2,001	2,195	41,150	41,200	2,675	2,216	2,423
35,200	35,250	2,207	1,800	1,975	38,200	38,250	2,442	2,004	2,199	41,200	41,250	2,679	2,219	2,427
35,250	35,300	2,211	1,803	1,978	38,250	38,300	2,446	2,007	2,203	41,250	41,300	2,683	2,223	2,431
35,300	35,350	2,215	1,807	1,982	38,300	38,350	2,450	2,011	2,207	41,300	41,350	2,687	2,227	2,435
35,350	35,400	2,219	1,810	1,985	38,350	38,400	2,454	2,014	2,211	41,350	41,400	2,691	2,230	2,439
35,400	35,450	2,222	1,814	1,989	38,400	38,450	2,458	2,018	2,214	41,400	41,450	2,695	2,234	2,442
35,450	35,500	2,226	1,817	1,993	38,450	38,500	2,462	2,021	2,218	41,450	41,500	2,699	2,237	2,446
35,500	35,550	2,230	1,820	1,996	38,500	38,550	2,465	2,025	2,222	41,500	41,550	2,702	2,241	2,450
35,550	35,600	2,234	1,824	2,000	38,550	38,600	2,469	2,029	2,226	41,550	41,600	2,706	2,245	2,454
35,600	35,650	2,238	1,827	2,003	38,600	38,650	2,473	2,032	2,230	41,600	41,650	2,710	2,248	2,458
35,650	35,700	2,241	1,831	2,007	38,650	38,700	2,477	2,036	2,233	41,650	41,700	2,714	2,252	2,461
35,700	35,750	2,245	1,834	2,011	38,700	38,750	2,481	2,039	2,237	41,700	41,750	2,718	2,255	2,465
35,750	35,800	2,249	1,837	2,014	38,750	38,800	2,485	2,043	2,241	41,750	41,800	2,722	2,259	2,469
35,800	35,850	2,253	1,841	2,018	38,800	38,850	2,489	2,047	2,245	41,800	41,850	2,726	2,263	2,473
35,850	35,900	2,257	1,844	2,021	38,850	38,900	2,493	2,050	2,249	41,850	41,900	2,730	2,266	2,477
35,900	35,950	2,260	1,848	2,025	38,900	38,950	2,497	2,054	2,252	41,900	41,950	2,734	2,270	2,480
35,950	36,000	2,264	1,851	2,029	38,950	39,000	2,501	2,057	2,256	41,950	42,000	2,738	2,273	2,484
<b>36,000</b>					<b>39,000</b>					<b>42,000</b>				
36,000	36,050	2,268	1,854	2,032	39,000	39,050	2,505	2,061	2,260	42,000	42,050	2,742	2,277	2,488
36,050	36,100	2,272	1,858	2,036	39,050	39,100	2,509	2,065	2,264	42,050	42,100	2,746	2,281	2,492
36,100	36,150	2,276	1,861	2,040	39,100	39,150	2,513	2,068	2,268	42,100	42,150	2,750	2,284	2,496
36,150	36,200	2,280	1,865	2,043	39,150	39,200	2,517	2,072	2,271	42,150	42,200	2,754	2,288	2,499
36,200	36,250	2,284	1,868	2,047	39,200	39,250	2,521	2,075	2,275	42,200	42,250	2,758	2,291	2,503
36,250	36,300	2,288	1,871	2,051	39,250	39,300	2,525	2,079	2,279	42,250	42,300	2,762	2,295	2,507
36,300	36,350	2,292	1,875	2,055	39,300	39,350	2,529	2,083	2,283	42,300	42,350	2,766	2,299	2,511
36,350	36,400	2,296	1,878	2,059	39,350	39,400	2,533	2,086	2,287	42,350	42,400	2,770	2,302	2,515
36,400	36,450	2,300	1,882	2,062	39,400	39,450	2,537	2,090	2,290	42,400	42,450	2,774	2,306	2,518
36,450	36,500	2,304	1,885	2,066	39,450	39,500	2,541	2,093	2,294	42,450	42,500	2,778	2,309	2,522
36,500	36,550	2,307	1,888	2,070	39,500	39,550	2,544	2,097	2,298	42,500	42,550	2,781	2,313	2,526
36,550	36,600	2,311	1,892	2,074	39,550	39,600	2,548	2,101	2,302	42,550	42,600	2,785	2,317	2,530
36,600	36,650	2,315	1,895	2,078	39,600	39,650	2,552	2,104	2,306	42,600	42,650	2,789	2,320	2,534
36,650	36,700	2,319	1,899	2,081	39,650	39,700	2,556	2,108	2,309	42,650	42,700	2,793	2,324	2,537
36,700	36,750	2,323	1,902	2,085	39,700	39,750	2,560	2,111	2,313	42,700	42,750	2,797	2,327	2,541
36,750	36,800	2,327	1,905	2,089	39,750	39,800	2,564	2,115	2,317	42,750	42,800	2,801	2,331	2,545
36,800	36,850	2,331	1,909	2,093	39,800	39,850	2,568	2,119	2,321	42,800	42,850	2,805	2,335	2,549
36,850	36,900	2,335	1,912	2,097	39,850	39,900	2,572	2,122	2,325	42,850	42,900	2,809	2,338	2,553
36,900	36,950	2,339	1,916	2,100	39,900	39,950	2,576	2,126	2,328	42,900	42,950	2,813	2,342	2,556
36,950	37,000	2,343	1,919	2,104	39,950	40,000	2,580	2,129	2,332	42,950	43,000	2,817	2,345	2,560

\*This column must also be used by qualifying widow(er)

Continued on next page

**2009 Hawaii Tax Table (Continued)**

If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold
Your tax is —					Your tax is —					Your tax is —				
<b>43,000</b>					<b>46,000</b>					<b>49,000</b>				
43,000	43,050	2,821	2,349	2,564	46,000	46,050	3,058	2,565	2,792	49,000	49,050	3,299	2,785	3,020
43,050	43,100	2,825	2,353	2,568	46,050	46,100	3,062	2,569	2,796	49,050	49,100	3,303	2,789	3,024
43,100	43,150	2,829	2,356	2,572	46,100	46,150	3,066	2,572	2,800	49,100	49,150	3,307	2,793	3,028
43,150	43,200	2,833	2,360	2,575	46,150	46,200	3,070	2,576	2,803	49,150	49,200	3,311	2,796	3,031
43,200	43,250	2,837	2,363	2,579	46,200	46,250	3,074	2,579	2,807	49,200	49,250	3,315	2,800	3,035
43,250	43,300	2,841	2,367	2,583	46,250	46,300	3,078	2,583	2,811	49,250	49,300	3,319	2,804	3,039
43,300	43,350	2,845	2,371	2,587	46,300	46,350	3,082	2,587	2,815	49,300	49,350	3,323	2,808	3,043
43,350	43,400	2,849	2,374	2,591	46,350	46,400	3,086	2,590	2,819	49,350	49,400	3,327	2,812	3,047
43,400	43,450	2,853	2,378	2,594	46,400	46,450	3,090	2,594	2,822	49,400	49,450	3,332	2,815	3,050
43,450	43,500	2,857	2,381	2,598	46,450	46,500	3,094	2,597	2,826	49,450	49,500	3,336	2,819	3,054
43,500	43,550	2,860	2,385	2,602	46,500	46,550	3,097	2,601	2,830	49,500	49,550	3,340	2,823	3,058
43,550	43,600	2,864	2,389	2,606	46,550	46,600	3,101	2,605	2,834	49,550	49,600	3,344	2,827	3,062
43,600	43,650	2,868	2,392	2,610	46,600	46,650	3,105	2,608	2,838	49,600	49,650	3,348	2,831	3,066
43,650	43,700	2,872	2,396	2,613	46,650	46,700	3,109	2,612	2,841	49,650	49,700	3,352	2,834	3,069
43,700	43,750	2,876	2,399	2,617	46,700	46,750	3,113	2,615	2,845	49,700	49,750	3,356	2,838	3,073
43,750	43,800	2,880	2,403	2,621	46,750	46,800	3,117	2,619	2,849	49,750	49,800	3,360	2,842	3,077
43,800	43,850	2,884	2,407	2,625	46,800	46,850	3,121	2,623	2,853	49,800	49,850	3,365	2,846	3,081
43,850	43,900	2,888	2,410	2,629	46,850	46,900	3,125	2,626	2,857	49,850	49,900	3,369	2,850	3,085
43,900	43,950	2,892	2,414	2,632	46,900	46,950	3,129	2,630	2,860	49,900	49,950	3,373	2,853	3,088
43,950	44,000	2,896	2,417	2,636	46,950	47,000	3,133	2,633	2,864	49,950	50,000	3,377	2,857	3,092
<b>44,000</b>					<b>47,000</b>					<b>50,000</b>				
44,000	44,050	2,900	2,421	2,640	47,000	47,050	3,137	2,637	2,868	50,000	50,050	3,381	2,861	3,096
44,050	44,100	2,904	2,425	2,644	47,050	47,100	3,141	2,641	2,872	50,050	50,100	3,385	2,865	3,100
44,100	44,150	2,908	2,428	2,648	47,100	47,150	3,145	2,644	2,876	50,100	50,150	3,389	2,869	3,104
44,150	44,200	2,912	2,432	2,651	47,150	47,200	3,149	2,648	2,879	50,150	50,200	3,393	2,872	3,107
44,200	44,250	2,916	2,435	2,655	47,200	47,250	3,153	2,651	2,883	50,200	50,250	3,398	2,876	3,111
44,250	44,300	2,920	2,439	2,659	47,250	47,300	3,157	2,655	2,887	50,250	50,300	3,402	2,880	3,115
44,300	44,350	2,924	2,443	2,663	47,300	47,350	3,161	2,659	2,891	50,300	50,350	3,406	2,884	3,119
44,350	44,400	2,928	2,446	2,667	47,350	47,400	3,165	2,662	2,895	50,350	50,400	3,410	2,888	3,123
44,400	44,450	2,932	2,450	2,670	47,400	47,450	3,169	2,666	2,898	50,400	50,450	3,414	2,891	3,126
44,450	44,500	2,936	2,453	2,674	47,450	47,500	3,173	2,669	2,902	50,450	50,500	3,418	2,895	3,130
44,500	44,550	2,939	2,457	2,678	47,500	47,550	3,176	2,673	2,906	50,500	50,550	3,422	2,899	3,134
44,550	44,600	2,943	2,461	2,682	47,550	47,600	3,180	2,677	2,910	50,550	50,600	3,426	2,903	3,138
44,600	44,650	2,947	2,464	2,686	47,600	47,650	3,184	2,680	2,914	50,600	50,650	3,431	2,907	3,142
44,650	44,700	2,951	2,468	2,689	47,650	47,700	3,188	2,684	2,917	50,650	50,700	3,435	2,910	3,145
44,700	44,750	2,955	2,471	2,693	47,700	47,750	3,192	2,687	2,921	50,700	50,750	3,439	2,914	3,149
44,750	44,800	2,959	2,475	2,697	47,750	47,800	3,196	2,691	2,925	50,750	50,800	3,443	2,918	3,153
44,800	44,850	2,963	2,479	2,701	47,800	47,850	3,200	2,695	2,929	50,800	50,850	3,447	2,922	3,157
44,850	44,900	2,967	2,482	2,705	47,850	47,900	3,204	2,698	2,933	50,850	50,900	3,451	2,926	3,161
44,900	44,950	2,971	2,486	2,708	47,900	47,950	3,208	2,702	2,936	50,900	50,950	3,455	2,929	3,164
44,950	45,000	2,975	2,489	2,712	47,950	48,000	3,212	2,705	2,940	50,950	51,000	3,459	2,933	3,168
<b>45,000</b>					<b>48,000</b>					<b>51,000</b>				
45,000	45,050	2,979	2,493	2,716	48,000	48,050	3,216	2,709	2,944	51,000	51,050	3,464	2,937	3,172
45,050	45,100	2,983	2,497	2,720	48,050	48,100	3,220	2,713	2,948	51,050	51,100	3,468	2,941	3,176
45,100	45,150	2,987	2,500	2,724	48,100	48,150	3,224	2,717	2,952	51,100	51,150	3,472	2,945	3,180
45,150	45,200	2,991	2,504	2,727	48,150	48,200	3,228	2,720	2,955	51,150	51,200	3,476	2,948	3,183
45,200	45,250	2,995	2,507	2,731	48,200	48,250	3,233	2,724	2,959	51,200	51,250	3,480	2,952	3,187
45,250	45,300	2,999	2,511	2,735	48,250	48,300	3,237	2,728	2,963	51,250	51,300	3,484	2,956	3,191
45,300	45,350	3,003	2,515	2,739	48,300	48,350	3,241	2,732	2,967	51,300	51,350	3,488	2,960	3,195
45,350	45,400	3,007	2,518	2,743	48,350	48,400	3,245	2,736	2,971	51,350	51,400	3,492	2,964	3,199
45,400	45,450	3,011	2,522	2,746	48,400	48,450	3,249	2,739	2,974	51,400	51,450	3,497	2,967	3,202
45,450	45,500	3,015	2,525	2,750	48,450	48,500	3,253	2,743	2,978	51,450	51,500	3,501	2,971	3,206
45,500	45,550	3,018	2,529	2,754	48,500	48,550	3,257	2,747	2,982	51,500	51,550	3,505	2,975	3,210
45,550	45,600	3,022	2,533	2,758	48,550	48,600	3,261	2,751	2,986	51,550	51,600	3,509	2,979	3,214
45,600	45,650	3,026	2,536	2,762	48,600	48,650	3,266	2,755	2,990	51,600	51,650	3,513	2,983	3,218
45,650	45,700	3,030	2,540	2,765	48,650	48,700	3,270	2,758	2,993	51,650	51,700	3,517	2,986	3,221
45,700	45,750	3,034	2,543	2,769	48,700	48,750	3,274	2,762	2,997	51,700	51,750	3,521	2,990	3,225
45,750	45,800	3,038	2,547	2,773	48,750	48,800	3,278	2,766	3,001	51,750	51,800	3,525	2,994	3,229
45,800	45,850	3,042	2,551	2,777	48,800	48,850	3,282	2,770	3,005	51,800	51,850	3,530	2,998	3,233
45,850	45,900	3,046	2,554	2,781	48,850	48,900	3,286	2,774	3,009	51,850	51,900	3,534	3,002	3,237
45,900	45,950	3,050	2,558	2,784	48,900	48,950	3,290	2,777	3,012	51,900	51,950	3,538	3,005	3,240
45,950	46,000	3,054	2,561	2,788	48,950	49,000	3,294	2,781	3,016	51,950	52,000	3,542	3,009	3,244

\*This column must also be used by qualifying widow(er)

Continued on next page

**2009 Hawaii Tax Table (Continued)**

If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold
Your tax is —					Your tax is —					Your tax is —				
<b>52,000</b>					<b>55,000</b>					<b>58,000</b>				
52,000	52,050	3,546	3,013	3,248	55,000	55,050	3,794	3,241	3,479	58,000	58,050	4,041	3,469	3,716
52,050	52,100	3,550	3,017	3,252	55,050	55,100	3,798	3,245	3,483	58,050	58,100	4,045	3,473	3,720
52,100	52,150	3,554	3,021	3,256	55,100	55,150	3,802	3,249	3,487	58,100	58,150	4,049	3,477	3,724
52,150	52,200	3,558	3,024	3,259	55,150	55,200	3,806	3,252	3,491	58,150	58,200	4,053	3,480	3,728
52,200	52,250	3,563	3,028	3,263	55,200	55,250	3,810	3,256	3,495	58,200	58,250	4,058	3,484	3,732
52,250	52,300	3,567	3,032	3,267	55,250	55,300	3,814	3,260	3,499	58,250	58,300	4,062	3,488	3,736
52,300	52,350	3,571	3,036	3,271	55,300	55,350	3,818	3,264	3,503	58,300	58,350	4,066	3,492	3,740
52,350	52,400	3,575	3,040	3,275	55,350	55,400	3,822	3,268	3,507	58,350	58,400	4,070	3,496	3,744
52,400	52,450	3,579	3,043	3,278	55,400	55,450	3,827	3,271	3,511	58,400	58,450	4,074	3,499	3,748
52,450	52,500	3,583	3,047	3,282	55,450	55,500	3,831	3,275	3,515	58,450	58,500	4,078	3,503	3,752
52,500	52,550	3,587	3,051	3,286	55,500	55,550	3,835	3,279	3,518	58,500	58,550	4,082	3,507	3,755
52,550	52,600	3,591	3,055	3,290	55,550	55,600	3,839	3,283	3,522	58,550	58,600	4,086	3,511	3,759
52,600	52,650	3,596	3,059	3,294	55,600	55,650	3,843	3,287	3,526	58,600	58,650	4,091	3,515	3,763
52,650	52,700	3,600	3,062	3,297	55,650	55,700	3,847	3,290	3,530	58,650	58,700	4,095	3,518	3,767
52,700	52,750	3,604	3,066	3,301	55,700	55,750	3,851	3,294	3,534	58,700	58,750	4,099	3,522	3,771
52,750	52,800	3,608	3,070	3,305	55,750	55,800	3,855	3,298	3,538	58,750	58,800	4,103	3,526	3,775
52,800	52,850	3,612	3,074	3,309	55,800	55,850	3,860	3,302	3,542	58,800	58,850	4,107	3,530	3,779
52,850	52,900	3,616	3,078	3,313	55,850	55,900	3,864	3,306	3,546	58,850	58,900	4,111	3,534	3,783
52,900	52,950	3,620	3,081	3,316	55,900	55,950	3,868	3,309	3,550	58,900	58,950	4,115	3,537	3,787
52,950	53,000	3,624	3,085	3,320	55,950	56,000	3,872	3,313	3,554	58,950	59,000	4,119	3,541	3,791
<b>53,000</b>					<b>56,000</b>					<b>59,000</b>				
53,000	53,050	3,629	3,089	3,324	56,000	56,050	3,876	3,317	3,558	59,000	59,050	4,124	3,545	3,795
53,050	53,100	3,633	3,093	3,328	56,050	56,100	3,880	3,321	3,562	59,050	59,100	4,128	3,549	3,799
53,100	53,150	3,637	3,097	3,332	56,100	56,150	3,884	3,325	3,566	59,100	59,150	4,132	3,553	3,803
53,150	53,200	3,641	3,100	3,335	56,150	56,200	3,888	3,328	3,570	59,150	59,200	4,136	3,556	3,807
53,200	53,250	3,645	3,104	3,339	56,200	56,250	3,893	3,332	3,574	59,200	59,250	4,140	3,560	3,811
53,250	53,300	3,649	3,108	3,343	56,250	56,300	3,897	3,336	3,578	59,250	59,300	4,144	3,564	3,815
53,300	53,350	3,653	3,112	3,347	56,300	56,350	3,901	3,340	3,582	59,300	59,350	4,148	3,568	3,819
53,350	53,400	3,657	3,116	3,351	56,350	56,400	3,905	3,344	3,586	59,350	59,400	4,152	3,572	3,823
53,400	53,450	3,662	3,119	3,354	56,400	56,450	3,909	3,347	3,590	59,400	59,450	4,157	3,575	3,827
53,450	53,500	3,666	3,123	3,358	56,450	56,500	3,913	3,351	3,594	59,450	59,500	4,161	3,579	3,831
53,500	53,550	3,670	3,127	3,362	56,500	56,550	3,917	3,355	3,597	59,500	59,550	4,165	3,583	3,834
53,550	53,600	3,674	3,131	3,366	56,550	56,600	3,921	3,359	3,601	59,550	59,600	4,169	3,587	3,838
53,600	53,650	3,678	3,135	3,370	56,600	56,650	3,926	3,363	3,605	59,600	59,650	4,173	3,591	3,842
53,650	53,700	3,682	3,138	3,373	56,650	56,700	3,930	3,366	3,609	59,650	59,700	4,177	3,594	3,846
53,700	53,750	3,686	3,142	3,377	56,700	56,750	3,934	3,370	3,613	59,700	59,750	4,181	3,598	3,850
53,750	53,800	3,690	3,146	3,381	56,750	56,800	3,938	3,374	3,617	59,750	59,800	4,185	3,602	3,854
53,800	53,850	3,695	3,150	3,385	56,800	56,850	3,942	3,378	3,621	59,800	59,850	4,190	3,606	3,858
53,850	53,900	3,699	3,154	3,389	56,850	56,900	3,946	3,382	3,625	59,850	59,900	4,194	3,610	3,862
53,900	53,950	3,703	3,157	3,392	56,900	56,950	3,950	3,385	3,629	59,900	59,950	4,198	3,613	3,866
53,950	54,000	3,707	3,161	3,396	56,950	57,000	3,954	3,389	3,633	59,950	60,000	4,202	3,617	3,870
<b>54,000</b>					<b>57,000</b>					<b>60,000</b>				
54,000	54,050	3,711	3,165	3,400	57,000	57,050	3,959	3,393	3,637	60,000	60,050	4,206	3,621	3,874
54,050	54,100	3,715	3,169	3,404	57,050	57,100	3,963	3,397	3,641	60,050	60,100	4,210	3,625	3,878
54,100	54,150	3,719	3,173	3,408	57,100	57,150	3,967	3,401	3,645	60,100	60,150	4,214	3,629	3,882
54,150	54,200	3,723	3,176	3,412	57,150	57,200	3,971	3,404	3,649	60,150	60,200	4,218	3,632	3,886
54,200	54,250	3,728	3,180	3,416	57,200	57,250	3,975	3,408	3,653	60,200	60,250	4,223	3,636	3,890
54,250	54,300	3,732	3,184	3,420	57,250	57,300	3,979	3,412	3,657	60,250	60,300	4,227	3,640	3,894
54,300	54,350	3,736	3,188	3,424	57,300	57,350	3,983	3,416	3,661	60,300	60,350	4,231	3,644	3,898
54,350	54,400	3,740	3,192	3,428	57,350	57,400	3,987	3,420	3,665	60,350	60,400	4,235	3,648	3,902
54,400	54,450	3,744	3,195	3,432	57,400	57,450	3,992	3,423	3,669	60,400	60,450	4,239	3,651	3,906
54,450	54,500	3,748	3,199	3,436	57,450	57,500	3,996	3,427	3,673	60,450	60,500	4,243	3,655	3,910
54,500	54,550	3,752	3,203	3,439	57,500	57,550	4,000	3,431	3,676	60,500	60,550	4,247	3,659	3,913
54,550	54,600	3,756	3,207	3,443	57,550	57,600	4,004	3,435	3,680	60,550	60,600	4,251	3,663	3,917
54,600	54,650	3,761	3,211	3,447	57,600	57,650	4,008	3,439	3,684	60,600	60,650	4,256	3,667	3,921
54,650	54,700	3,765	3,214	3,451	57,650	57,700	4,012	3,442	3,688	60,650	60,700	4,260	3,670	3,925
54,700	54,750	3,769	3,218	3,455	57,700	57,750	4,016	3,446	3,692	60,700	60,750	4,264	3,674	3,929
54,750	54,800	3,773	3,222	3,459	57,750	57,800	4,020	3,450	3,696	60,750	60,800	4,268	3,678	3,933
54,800	54,850	3,777	3,226	3,463	57,800	57,850	4,025	3,454	3,700	60,800	60,850	4,272	3,682	3,937
54,850	54,900	3,781	3,230	3,467	57,850	57,900	4,029	3,458	3,704	60,850	60,900	4,276	3,686	3,941
54,900	54,950	3,785	3,233	3,471	57,900	57,950	4,033	3,461	3,708	60,900	60,950	4,280	3,689	3,945
54,950	55,000	3,789	3,237	3,475	57,950	58,000	4,037	3,465	3,712	60,950	61,000	4,284	3,693	3,949

\*This column must also be used by qualifying widow(er)

Continued on next page



2009 Hawaii Tax Table (Continued)

If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold
Your tax is —					Your tax is —					Your tax is —				
<b>61,000</b>					<b>64,000</b>					<b>67,000</b>				
61,000	61,050	4,289	3,697	3,953	64,000	64,050	4,536	3,925	4,190	67,000	67,050	4,784	4,153	4,427
61,050	61,100	4,293	3,701	3,957	64,050	64,100	4,540	3,929	4,194	67,050	67,100	4,788	4,157	4,431
61,100	61,150	4,297	3,705	3,961	64,100	64,150	4,544	3,933	4,198	67,100	67,150	4,792	4,161	4,435
61,150	61,200	4,301	3,708	3,965	64,150	64,200	4,548	3,936	4,202	67,150	67,200	4,796	4,164	4,439
61,200	61,250	4,305	3,712	3,969	64,200	64,250	4,553	3,940	4,206	67,200	67,250	4,800	4,168	4,443
61,250	61,300	4,309	3,716	3,973	64,250	64,300	4,557	3,944	4,210	67,250	67,300	4,804	4,172	4,447
61,300	61,350	4,313	3,720	3,977	64,300	64,350	4,561	3,948	4,214	67,300	67,350	4,808	4,176	4,451
61,350	61,400	4,317	3,724	3,981	64,350	64,400	4,565	3,952	4,218	67,350	67,400	4,812	4,180	4,455
61,400	61,450	4,322	3,727	3,985	64,400	64,450	4,569	3,955	4,222	67,400	67,450	4,817	4,183	4,459
61,450	61,500	4,326	3,731	3,989	64,450	64,500	4,573	3,959	4,226	67,450	67,500	4,821	4,187	4,463
61,500	61,550	4,330	3,735	3,992	64,500	64,550	4,577	3,963	4,229	67,500	67,550	4,825	4,191	4,466
61,550	61,600	4,334	3,739	3,996	64,550	64,600	4,581	3,967	4,233	67,550	67,600	4,829	4,195	4,470
61,600	61,650	4,338	3,743	4,000	64,600	64,650	4,586	3,971	4,237	67,600	67,650	4,833	4,199	4,474
61,650	61,700	4,342	3,746	4,004	64,650	64,700	4,590	3,974	4,241	67,650	67,700	4,837	4,202	4,478
61,700	61,750	4,346	3,750	4,008	64,700	64,750	4,594	3,978	4,245	67,700	67,750	4,841	4,206	4,482
61,750	61,800	4,350	3,754	4,012	64,750	64,800	4,598	3,982	4,249	67,750	67,800	4,845	4,210	4,486
61,800	61,850	4,355	3,758	4,016	64,800	64,850	4,602	3,986	4,253	67,800	67,850	4,850	4,214	4,490
61,850	61,900	4,359	3,762	4,020	64,850	64,900	4,606	3,990	4,257	67,850	67,900	4,854	4,218	4,494
61,900	61,950	4,363	3,765	4,024	64,900	64,950	4,610	3,993	4,261	67,900	67,950	4,858	4,221	4,498
61,950	62,000	4,367	3,769	4,028	64,950	65,000	4,614	3,997	4,265	67,950	68,000	4,862	4,225	4,502
<b>62,000</b>					<b>65,000</b>					<b>68,000</b>				
62,000	62,050	4,371	3,773	4,032	65,000	65,050	4,619	4,001	4,269	68,000	68,050	4,866	4,229	4,506
62,050	62,100	4,375	3,777	4,036	65,050	65,100	4,623	4,005	4,273	68,050	68,100	4,870	4,233	4,510
62,100	62,150	4,379	3,781	4,040	65,100	65,150	4,627	4,009	4,277	68,100	68,150	4,874	4,237	4,514
62,150	62,200	4,383	3,784	4,044	65,150	65,200	4,631	4,012	4,281	68,150	68,200	4,878	4,240	4,518
62,200	62,250	4,388	3,788	4,048	65,200	65,250	4,635	4,016	4,285	68,200	68,250	4,883	4,244	4,522
62,250	62,300	4,392	3,792	4,052	65,250	65,300	4,639	4,020	4,289	68,250	68,300	4,887	4,248	4,526
62,300	62,350	4,396	3,796	4,056	65,300	65,350	4,643	4,024	4,293	68,300	68,350	4,891	4,252	4,530
62,350	62,400	4,400	3,800	4,060	65,350	65,400	4,647	4,028	4,297	68,350	68,400	4,895	4,256	4,534
62,400	62,450	4,404	3,803	4,064	65,400	65,450	4,652	4,031	4,301	68,400	68,450	4,899	4,259	4,538
62,450	62,500	4,408	3,807	4,068	65,450	65,500	4,656	4,035	4,305	68,450	68,500	4,903	4,263	4,542
62,500	62,550	4,412	3,811	4,071	65,500	65,550	4,660	4,039	4,308	68,500	68,550	4,907	4,267	4,545
62,550	62,600	4,416	3,815	4,075	65,550	65,600	4,664	4,043	4,312	68,550	68,600	4,911	4,271	4,549
62,600	62,650	4,421	3,819	4,079	65,600	65,650	4,668	4,047	4,316	68,600	68,650	4,916	4,275	4,553
62,650	62,700	4,425	3,822	4,083	65,650	65,700	4,672	4,050	4,320	68,650	68,700	4,920	4,278	4,557
62,700	62,750	4,429	3,826	4,087	65,700	65,750	4,676	4,054	4,324	68,700	68,750	4,924	4,282	4,561
62,750	62,800	4,433	3,830	4,091	65,750	65,800	4,680	4,058	4,328	68,750	68,800	4,928	4,286	4,565
62,800	62,850	4,437	3,834	4,095	65,800	65,850	4,685	4,062	4,332	68,800	68,850	4,932	4,290	4,569
62,850	62,900	4,441	3,838	4,099	65,850	65,900	4,689	4,066	4,336	68,850	68,900	4,936	4,294	4,573
62,900	62,950	4,445	3,841	4,103	65,900	65,950	4,693	4,069	4,340	68,900	68,950	4,940	4,297	4,577
62,950	63,000	4,449	3,845	4,107	65,950	66,000	4,697	4,073	4,344	68,950	69,000	4,944	4,301	4,581
<b>63,000</b>					<b>66,000</b>					<b>69,000</b>				
63,000	63,050	4,454	3,849	4,111	66,000	66,050	4,701	4,077	4,348	69,000	69,050	4,949	4,305	4,585
63,050	63,100	4,458	3,853	4,115	66,050	66,100	4,705	4,081	4,352	69,050	69,100	4,953	4,309	4,589
63,100	63,150	4,462	3,857	4,119	66,100	66,150	4,709	4,085	4,356	69,100	69,150	4,957	4,313	4,593
63,150	63,200	4,466	3,860	4,123	66,150	66,200	4,713	4,088	4,360	69,150	69,200	4,961	4,316	4,597
63,200	63,250	4,470	3,864	4,127	66,200	66,250	4,718	4,092	4,364	69,200	69,250	4,965	4,320	4,601
63,250	63,300	4,474	3,868	4,131	66,250	66,300	4,722	4,096	4,368	69,250	69,300	4,969	4,324	4,605
63,300	63,350	4,478	3,872	4,135	66,300	66,350	4,726	4,100	4,372	69,300	69,350	4,973	4,328	4,609
63,350	63,400	4,482	3,876	4,139	66,350	66,400	4,730	4,104	4,376	69,350	69,400	4,977	4,332	4,613
63,400	63,450	4,487	3,879	4,143	66,400	66,450	4,734	4,107	4,380	69,400	69,450	4,982	4,335	4,617
63,450	63,500	4,491	3,883	4,147	66,450	66,500	4,738	4,111	4,384	69,450	69,500	4,986	4,339	4,621
63,500	63,550	4,495	3,887	4,150	66,500	66,550	4,742	4,115	4,387	69,500	69,550	4,990	4,343	4,624
63,550	63,600	4,499	3,891	4,154	66,550	66,600	4,746	4,119	4,391	69,550	69,600	4,994	4,347	4,628
63,600	63,650	4,503	3,895	4,158	66,600	66,650	4,751	4,123	4,395	69,600	69,650	4,998	4,351	4,632
63,650	63,700	4,507	3,898	4,162	66,650	66,700	4,755	4,126	4,399	69,650	69,700	5,002	4,354	4,636
63,700	63,750	4,511	3,902	4,166	66,700	66,750	4,759	4,130	4,403	69,700	69,750	5,006	4,358	4,640
63,750	63,800	4,515	3,906	4,170	66,750	66,800	4,763	4,134	4,407	69,750	69,800	5,010	4,362	4,644
63,800	63,850	4,520	3,910	4,174	66,800	66,850	4,767	4,138	4,411	69,800	69,850	5,015	4,366	4,648
63,850	63,900	4,524	3,914	4,178	66,850	66,900	4,771	4,142	4,415	69,850	69,900	5,019	4,370	4,652
63,900	63,950	4,528	3,917	4,182	66,900	66,950	4,775	4,145	4,419	69,900	69,950	5,023	4,373	4,656
63,950	64,000	4,532	3,921	4,186	66,950	67,000	4,779	4,149	4,423	69,950	70,000	5,027	4,377	4,660

\*This column must also be used by qualifying widow(er)

Continued on next page

# 2009 Hawaii Tax Table (Continued)

If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold
Your tax is —					Your tax is —					Your tax is —				
<b>70,000</b>					<b>73,000</b>					<b>76,000</b>				
70,000	70,050	5,031	4,381	4,664	73,000	73,050	5,279	4,612	4,905	76,000	76,050	5,526	4,849	5,152
70,050	70,100	5,035	4,385	4,668	73,050	73,100	5,283	4,616	4,909	76,050	76,100	5,530	4,853	5,156
70,100	70,150	5,039	4,389	4,672	73,100	73,150	5,287	4,620	4,913	76,100	76,150	5,534	4,857	5,160
70,150	70,200	5,043	4,392	4,676	73,150	73,200	5,291	4,624	4,917	76,150	76,200	5,538	4,861	5,164
70,200	70,250	5,048	4,396	4,680	73,200	73,250	5,295	4,628	4,921	76,200	76,250	5,543	4,865	5,169
70,250	70,300	5,052	4,400	4,684	73,250	73,300	5,299	4,632	4,925	76,250	76,300	5,547	4,869	5,173
70,300	70,350	5,056	4,404	4,688	73,300	73,350	5,303	4,636	4,929	76,300	76,350	5,551	4,873	5,177
70,350	70,400	5,060	4,408	4,692	73,350	73,400	5,307	4,640	4,933	76,350	76,400	5,555	4,877	5,181
70,400	70,450	5,064	4,411	4,696	73,400	73,450	5,312	4,644	4,938	76,400	76,450	5,559	4,881	5,185
70,450	70,500	5,068	4,415	4,700	73,450	73,500	5,316	4,648	4,942	76,450	76,500	5,563	4,885	5,189
70,500	70,550	5,072	4,419	4,703	73,500	73,550	5,320	4,651	4,946	76,500	76,550	5,567	4,888	5,193
70,550	70,600	5,076	4,423	4,707	73,550	73,600	5,324	4,655	4,950	76,550	76,600	5,571	4,892	5,197
70,600	70,650	5,081	4,427	4,711	73,600	73,650	5,328	4,659	4,954	76,600	76,650	5,576	4,896	5,202
70,650	70,700	5,085	4,430	4,715	73,650	73,700	5,332	4,663	4,958	76,650	76,700	5,580	4,900	5,206
70,700	70,750	5,089	4,434	4,719	73,700	73,750	5,336	4,667	4,962	76,700	76,750	5,584	4,904	5,210
70,750	70,800	5,093	4,438	4,723	73,750	73,800	5,340	4,671	4,966	76,750	76,800	5,588	4,908	5,214
70,800	70,850	5,097	4,442	4,727	73,800	73,850	5,345	4,675	4,971	76,800	76,850	5,592	4,912	5,218
70,850	70,900	5,101	4,446	4,731	73,850	73,900	5,349	4,679	4,975	76,850	76,900	5,596	4,916	5,222
70,900	70,950	5,105	4,449	4,735	73,900	73,950	5,353	4,683	4,979	76,900	76,950	5,600	4,920	5,226
70,950	71,000	5,109	4,453	4,739	73,950	74,000	5,357	4,687	4,983	76,950	77,000	5,604	4,924	5,230
<b>71,000</b>					<b>74,000</b>					<b>77,000</b>				
71,000	71,050	5,114	4,457	4,743	74,000	74,050	5,361	4,691	4,987	77,000	77,050	5,609	4,928	5,235
71,050	71,100	5,118	4,461	4,747	74,050	74,100	5,365	4,695	4,991	77,050	77,100	5,613	4,932	5,239
71,100	71,150	5,122	4,465	4,751	74,100	74,150	5,369	4,699	4,995	77,100	77,150	5,617	4,936	5,243
71,150	71,200	5,126	4,468	4,755	74,150	74,200	5,373	4,703	4,999	77,150	77,200	5,621	4,940	5,247
71,200	71,250	5,130	4,472	4,759	74,200	74,250	5,378	4,707	5,004	77,200	77,250	5,625	4,944	5,251
71,250	71,300	5,134	4,476	4,763	74,250	74,300	5,382	4,711	5,008	77,250	77,300	5,629	4,948	5,255
71,300	71,350	5,138	4,480	4,767	74,300	74,350	5,386	4,715	5,012	77,300	77,350	5,633	4,952	5,259
71,350	71,400	5,142	4,484	4,771	74,350	74,400	5,390	4,719	5,016	77,350	77,400	5,637	4,956	5,263
71,400	71,450	5,147	4,487	4,775	74,400	74,450	5,394	4,723	5,020	77,400	77,450	5,642	4,960	5,268
71,450	71,500	5,151	4,491	4,779	74,450	74,500	5,398	4,727	5,024	77,450	77,500	5,646	4,964	5,272
71,500	71,550	5,155	4,495	4,782	74,500	74,550	5,402	4,730	5,028	77,500	77,550	5,650	4,967	5,276
71,550	71,600	5,159	4,499	4,786	74,550	74,600	5,406	4,734	5,032	77,550	77,600	5,654	4,971	5,280
71,600	71,650	5,163	4,503	4,790	74,600	74,650	5,411	4,738	5,037	77,600	77,650	5,658	4,975	5,284
71,650	71,700	5,167	4,506	4,794	74,650	74,700	5,415	4,742	5,041	77,650	77,700	5,662	4,979	5,288
71,700	71,750	5,171	4,510	4,798	74,700	74,750	5,419	4,746	5,045	77,700	77,750	5,666	4,983	5,292
71,750	71,800	5,175	4,514	4,802	74,750	74,800	5,423	4,750	5,049	77,750	77,800	5,670	4,987	5,296
71,800	71,850	5,180	4,518	4,806	74,800	74,850	5,427	4,754	5,053	77,800	77,850	5,675	4,991	5,301
71,850	71,900	5,184	4,522	4,810	74,850	74,900	5,431	4,758	5,057	77,850	77,900	5,679	4,995	5,305
71,900	71,950	5,188	4,525	4,814	74,900	74,950	5,435	4,762	5,061	77,900	77,950	5,683	4,999	5,309
71,950	72,000	5,192	4,529	4,818	74,950	75,000	5,439	4,766	5,065	77,950	78,000	5,687	5,003	5,313
<b>72,000</b>					<b>75,000</b>					<b>78,000</b>				
72,000	72,050	5,196	4,533	4,822	75,000	75,050	5,444	4,770	5,070	78,000	78,050	5,691	5,007	5,317
72,050	72,100	5,200	4,537	4,826	75,050	75,100	5,448	4,774	5,074	78,050	78,100	5,695	5,011	5,321
72,100	72,150	5,204	4,541	4,830	75,100	75,150	5,452	4,778	5,078	78,100	78,150	5,699	5,015	5,325
72,150	72,200	5,208	4,545	4,834	75,150	75,200	5,456	4,782	5,082	78,150	78,200	5,703	5,019	5,329
72,200	72,250	5,213	4,549	4,839	75,200	75,250	5,460	4,786	5,086	78,200	78,250	5,708	5,023	5,334
72,250	72,300	5,217	4,553	4,843	75,250	75,300	5,464	4,790	5,090	78,250	78,300	5,712	5,027	5,338
72,300	72,350	5,221	4,557	4,847	75,300	75,350	5,468	4,794	5,094	78,300	78,350	5,716	5,031	5,342
72,350	72,400	5,225	4,561	4,851	75,350	75,400	5,472	4,798	5,098	78,350	78,400	5,720	5,035	5,346
72,400	72,450	5,229	4,565	4,855	75,400	75,450	5,477	4,802	5,103	78,400	78,450	5,724	5,039	5,350
72,450	72,500	5,233	4,569	4,859	75,450	75,500	5,481	4,806	5,107	78,450	78,500	5,728	5,043	5,354
72,500	72,550	5,237	4,572	4,863	75,500	75,550	5,485	4,809	5,111	78,500	78,550	5,732	5,046	5,358
72,550	72,600	5,241	4,576	4,867	75,550	75,600	5,489	4,813	5,115	78,550	78,600	5,736	5,050	5,362
72,600	72,650	5,246	4,580	4,872	75,600	75,650	5,493	4,817	5,119	78,600	78,650	5,741	5,054	5,367
72,650	72,700	5,250	4,584	4,876	75,650	75,700	5,497	4,821	5,123	78,650	78,700	5,745	5,058	5,371
72,700	72,750	5,254	4,588	4,880	75,700	75,750	5,501	4,825	5,127	78,700	78,750	5,749	5,062	5,375
72,750	72,800	5,258	4,592	4,884	75,750	75,800	5,505	4,829	5,131	78,750	78,800	5,753	5,066	5,379
72,800	72,850	5,262	4,596	4,888	75,800	75,850	5,510	4,833	5,136	78,800	78,850	5,757	5,070	5,383
72,850	72,900	5,266	4,600	4,892	75,850	75,900	5,514	4,837	5,140	78,850	78,900	5,761	5,074	5,387
72,900	72,950	5,270	4,604	4,896	75,900	75,950	5,518	4,841	5,144	78,900	78,950	5,765	5,078	5,391
72,950	73,000	5,274	4,608	4,900	75,950	76,000	5,522	4,845	5,148	78,950	79,000	5,769	5,082	5,395

\*This column must also be used by qualifying widow(er)

Continued on next page

2009 Hawaii Tax Table (Continued)

If line 43 (taxable income) is —			And you are —			If line 43 (taxable income) is —			And you are —			If line 43 (taxable income) is —			And you are —		
At least	But less than		Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than		Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than		Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold
			Your tax is —						Your tax is —						Your tax is —		
<b>79,000</b>						<b>82,000</b>						<b>85,000</b>					
79,000	79,050		5,774	5,086	5,400	82,000	82,050		6,021	5,323	5,647	85,000	85,050		6,269	5,560	5,895
79,050	79,100		5,778	5,090	5,404	82,050	82,100		6,025	5,327	5,651	85,050	85,100		6,273	5,564	5,899
79,100	79,150		5,782	5,094	5,408	82,100	82,150		6,029	5,331	5,655	85,100	85,150		6,277	5,568	5,903
79,150	79,200		5,786	5,098	5,412	82,150	82,200		6,033	5,335	5,659	85,150	85,200		6,281	5,572	5,907
79,200	79,250		5,790	5,102	5,416	82,200	82,250		6,038	5,339	5,664	85,200	85,250		6,285	5,576	5,911
79,250	79,300		5,794	5,106	5,420	82,250	82,300		6,042	5,343	5,668	85,250	85,300		6,289	5,580	5,915
79,300	79,350		5,798	5,110	5,424	82,300	82,350		6,046	5,347	5,672	85,300	85,350		6,293	5,584	5,919
79,350	79,400		5,802	5,114	5,428	82,350	82,400		6,050	5,351	5,676	85,350	85,400		6,297	5,588	5,923
79,400	79,450		5,807	5,118	5,433	82,400	82,450		6,054	5,355	5,680	85,400	85,450		6,302	5,592	5,928
79,450	79,500		5,811	5,122	5,437	82,450	82,500		6,058	5,359	5,684	85,450	85,500		6,306	5,596	5,932
79,500	79,550		5,815	5,125	5,441	82,500	82,550		6,062	5,362	5,688	85,500	85,550		6,310	5,599	5,936
79,550	79,600		5,819	5,129	5,445	82,550	82,600		6,066	5,366	5,692	85,550	85,600		6,314	5,603	5,940
79,600	79,650		5,823	5,133	5,449	82,600	82,650		6,071	5,370	5,697	85,600	85,650		6,318	5,607	5,944
79,650	79,700		5,827	5,137	5,453	82,650	82,700		6,075	5,374	5,701	85,650	85,700		6,322	5,611	5,948
79,700	79,750		5,831	5,141	5,457	82,700	82,750		6,079	5,378	5,705	85,700	85,750		6,326	5,615	5,952
79,750	79,800		5,835	5,145	5,461	82,750	82,800		6,083	5,382	5,709	85,750	85,800		6,330	5,619	5,956
79,800	79,850		5,840	5,149	5,466	82,800	82,850		6,087	5,386	5,713	85,800	85,850		6,335	5,623	5,961
79,850	79,900		5,844	5,153	5,470	82,850	82,900		6,091	5,390	5,717	85,850	85,900		6,339	5,627	5,965
79,900	79,950		5,848	5,157	5,474	82,900	82,950		6,095	5,394	5,721	85,900	85,950		6,343	5,631	5,969
79,950	80,000		5,852	5,161	5,478	82,950	83,000		6,099	5,398	5,725	85,950	86,000		6,347	5,635	5,973
<b>80,000</b>						<b>83,000</b>						<b>86,000</b>					
80,000	80,050		5,856	5,165	5,482	83,000	83,050		6,104	5,402	5,730	86,000	86,050		6,351	5,639	5,977
80,050	80,100		5,860	5,169	5,486	83,050	83,100		6,108	5,406	5,734	86,050	86,100		6,355	5,643	5,981
80,100	80,150		5,864	5,173	5,490	83,100	83,150		6,112	5,410	5,738	86,100	86,150		6,359	5,647	5,985
80,150	80,200		5,868	5,177	5,494	83,150	83,200		6,116	5,414	5,742	86,150	86,200		6,363	5,651	5,989
80,200	80,250		5,873	5,181	5,499	83,200	83,250		6,120	5,418	5,746	86,200	86,250		6,368	5,655	5,994
80,250	80,300		5,877	5,185	5,503	83,250	83,300		6,124	5,422	5,750	86,250	86,300		6,372	5,659	5,998
80,300	80,350		5,881	5,189	5,507	83,300	83,350		6,128	5,426	5,754	86,300	86,350		6,376	5,663	6,002
80,350	80,400		5,885	5,193	5,511	83,350	83,400		6,132	5,430	5,758	86,350	86,400		6,380	5,667	6,006
80,400	80,450		5,889	5,197	5,515	83,400	83,450		6,137	5,434	5,763	86,400	86,450		6,384	5,671	6,010
80,450	80,500		5,893	5,201	5,519	83,450	83,500		6,141	5,438	5,767	86,450	86,500		6,388	5,675	6,014
80,500	80,550		5,897	5,204	5,523	83,500	83,550		6,145	5,441	5,771	86,500	86,550		6,392	5,678	6,018
80,550	80,600		5,901	5,208	5,527	83,550	83,600		6,149	5,445	5,775	86,550	86,600		6,396	5,682	6,022
80,600	80,650		5,906	5,212	5,532	83,600	83,650		6,153	5,449	5,779	86,600	86,650		6,401	5,686	6,027
80,650	80,700		5,910	5,216	5,536	83,650	83,700		6,157	5,453	5,783	86,650	86,700		6,405	5,690	6,031
80,700	80,750		5,914	5,220	5,540	83,700	83,750		6,161	5,457	5,787	86,700	86,750		6,409	5,694	6,035
80,750	80,800		5,918	5,224	5,544	83,750	83,800		6,165	5,461	5,791	86,750	86,800		6,413	5,698	6,039
80,800	80,850		5,922	5,228	5,548	83,800	83,850		6,170	5,465	5,796	86,800	86,850		6,417	5,702	6,043
80,850	80,900		5,926	5,232	5,552	83,850	83,900		6,174	5,469	5,800	86,850	86,900		6,421	5,706	6,047
80,900	80,950		5,930	5,236	5,556	83,900	83,950		6,178	5,473	5,804	86,900	86,950		6,425	5,710	6,051
80,950	81,000		5,934	5,240	5,560	83,950	84,000		6,182	5,477	5,808	86,950	87,000		6,429	5,714	6,055
<b>81,000</b>						<b>84,000</b>						<b>87,000</b>					
81,000	81,050		5,939	5,244	5,565	84,000	84,050		6,186	5,481	5,812	87,000	87,050		6,434	5,718	6,060
81,050	81,100		5,943	5,248	5,569	84,050	84,100		6,190	5,485	5,816	87,050	87,100		6,438	5,722	6,064
81,100	81,150		5,947	5,252	5,573	84,100	84,150		6,194	5,489	5,820	87,100	87,150		6,442	5,726	6,068
81,150	81,200		5,951	5,256	5,577	84,150	84,200		6,198	5,493	5,824	87,150	87,200		6,446	5,730	6,072
81,200	81,250		5,955	5,260	5,581	84,200	84,250		6,203	5,497	5,829	87,200	87,250		6,450	5,734	6,076
81,250	81,300		5,959	5,264	5,585	84,250	84,300		6,207	5,501	5,833	87,250	87,300		6,454	5,738	6,080
81,300	81,350		5,963	5,268	5,589	84,300	84,350		6,211	5,505	5,837	87,300	87,350		6,458	5,742	6,084
81,350	81,400		5,967	5,272	5,593	84,350	84,400		6,215	5,509	5,841	87,350	87,400		6,462	5,746	6,088
81,400	81,450		5,972	5,276	5,598	84,400	84,450		6,219	5,513	5,845	87,400	87,450		6,467	5,750	6,093
81,450	81,500		5,976	5,280	5,602	84,450	84,500		6,223	5,517	5,849	87,450	87,500		6,471	5,754	6,097
81,500	81,550		5,980	5,283	5,606	84,500	84,550		6,227	5,520	5,853	87,500	87,550		6,475	5,757	6,101
81,550	81,600		5,984	5,287	5,610	84,550	84,600		6,231	5,524	5,857	87,550	87,600		6,479	5,761	6,105
81,600	81,650		5,988	5,291	5,614	84,600	84,650		6,236	5,528	5,862	87,600	87,650		6,483	5,765	6,109
81,650	81,700		5,992	5,295	5,618	84,650	84,700		6,240	5,532	5,866	87,650	87,700		6,487	5,769	6,113
81,700	81,750		5,996	5,299	5,622	84,700	84,750		6,244	5,536	5,870	87,700	87,750		6,491	5,773	6,117
81,750	81,800		6,000	5,303	5,626	84,750	84,800		6,248	5,540	5,874	87,750	87,800		6,495	5,777	6,121
81,800	81,850		6,005	5,307	5,631	84,800	84,850		6,252	5,544	5,878	87,800	87,850		6,500	5,781	6,126
81,850	81,900		6,009	5,311	5,635	84,850	84,900		6,256	5,548	5,882	87,850	87,900		6,504	5,785	6,130
81,900	81,950		6,013	5,315	5,639	84,900	84,950		6,260	5,552	5,886	87,900	87,950		6,508	5,789	6,134
81,950	82,000		6,017	5,319	5,643	84,950	85,000		6,264	5,556	5,890	87,950	88,000		6,512	5,793	6,138

\*This column must also be used by qualifying widow(er)

Continued on next page



# 2009 Hawaii Tax Table (Continued)

If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold
Your tax is —					Your tax is —					Your tax is —				
<b>88,000</b>					<b>91,000</b>					<b>94,000</b>				
88,000	88,050	6,516	5,797	6,142	91,000	91,050	6,764	6,034	6,390	94,000	94,050	7,011	6,271	6,637
88,050	88,100	6,520	5,801	6,146	91,050	91,100	6,768	6,038	6,394	94,050	94,100	7,015	6,275	6,641
88,100	88,150	6,524	5,805	6,150	91,100	91,150	6,772	6,042	6,398	94,100	94,150	7,019	6,279	6,645
88,150	88,200	6,528	5,809	6,154	91,150	91,200	6,776	6,046	6,402	94,150	94,200	7,023	6,283	6,649
88,200	88,250	6,533	5,813	6,159	91,200	91,250	6,780	6,050	6,406	94,200	94,250	7,028	6,287	6,654
88,250	88,300	6,537	5,817	6,163	91,250	91,300	6,784	6,054	6,410	94,250	94,300	7,032	6,291	6,658
88,300	88,350	6,541	5,821	6,167	91,300	91,350	6,788	6,058	6,414	94,300	94,350	7,036	6,295	6,662
88,350	88,400	6,545	5,825	6,171	91,350	91,400	6,792	6,062	6,418	94,350	94,400	7,040	6,299	6,666
88,400	88,450	6,549	5,829	6,175	91,400	91,450	6,797	6,066	6,423	94,400	94,450	7,044	6,303	6,670
88,450	88,500	6,553	5,833	6,179	91,450	91,500	6,801	6,070	6,427	94,450	94,500	7,048	6,307	6,674
88,500	88,550	6,557	5,836	6,183	91,500	91,550	6,805	6,073	6,431	94,500	94,550	7,052	6,310	6,678
88,550	88,600	6,561	5,840	6,187	91,550	91,600	6,809	6,077	6,435	94,550	94,600	7,056	6,314	6,682
88,600	88,650	6,566	5,844	6,192	91,600	91,650	6,813	6,081	6,439	94,600	94,650	7,061	6,318	6,687
88,650	88,700	6,570	5,848	6,196	91,650	91,700	6,817	6,085	6,443	94,650	94,700	7,065	6,322	6,691
88,700	88,750	6,574	5,852	6,200	91,700	91,750	6,821	6,089	6,447	94,700	94,750	7,069	6,326	6,695
88,750	88,800	6,578	5,856	6,204	91,750	91,800	6,825	6,093	6,451	94,750	94,800	7,073	6,330	6,699
88,800	88,850	6,582	5,860	6,208	91,800	91,850	6,830	6,097	6,456	94,800	94,850	7,077	6,334	6,703
88,850	88,900	6,586	5,864	6,212	91,850	91,900	6,834	6,101	6,460	94,850	94,900	7,081	6,338	6,707
88,900	88,950	6,590	5,868	6,216	91,900	91,950	6,838	6,105	6,464	94,900	94,950	7,085	6,342	6,711
88,950	89,000	6,594	5,872	6,220	91,950	92,000	6,842	6,109	6,468	94,950	95,000	7,089	6,346	6,715
<b>89,000</b>					<b>92,000</b>					<b>95,000</b>				
89,000	89,050	6,599	5,876	6,225	92,000	92,050	6,846	6,113	6,472	95,000	95,050	7,094	6,350	6,720
89,050	89,100	6,603	5,880	6,229	92,050	92,100	6,850	6,117	6,476	95,050	95,100	7,098	6,354	6,724
89,100	89,150	6,607	5,884	6,233	92,100	92,150	6,854	6,121	6,480	95,100	95,150	7,102	6,358	6,728
89,150	89,200	6,611	5,888	6,237	92,150	92,200	6,858	6,125	6,484	95,150	95,200	7,106	6,362	6,732
89,200	89,250	6,615	5,892	6,241	92,200	92,250	6,863	6,129	6,489	95,200	95,250	7,110	6,366	6,736
89,250	89,300	6,619	5,896	6,245	92,250	92,300	6,867	6,133	6,493	95,250	95,300	7,114	6,370	6,740
89,300	89,350	6,623	5,900	6,249	92,300	92,350	6,871	6,137	6,497	95,300	95,350	7,118	6,374	6,744
89,350	89,400	6,627	5,904	6,253	92,350	92,400	6,875	6,141	6,501	95,350	95,400	7,122	6,378	6,748
89,400	89,450	6,632	5,908	6,258	92,400	92,450	6,879	6,145	6,505	95,400	95,450	7,127	6,382	6,753
89,450	89,500	6,636	5,912	6,262	92,450	92,500	6,883	6,149	6,509	95,450	95,500	7,131	6,386	6,757
89,500	89,550	6,640	5,915	6,266	92,500	92,550	6,887	6,152	6,513	95,500	95,550	7,135	6,389	6,761
89,550	89,600	6,644	5,919	6,270	92,550	92,600	6,891	6,156	6,517	95,550	95,600	7,139	6,393	6,765
89,600	89,650	6,648	5,923	6,274	92,600	92,650	6,896	6,160	6,522	95,600	95,650	7,143	6,397	6,769
89,650	89,700	6,652	5,927	6,278	92,650	92,700	6,900	6,164	6,526	95,650	95,700	7,147	6,401	6,773
89,700	89,750	6,656	5,931	6,282	92,700	92,750	6,904	6,168	6,530	95,700	95,750	7,151	6,405	6,777
89,750	89,800	6,660	5,935	6,286	92,750	92,800	6,908	6,172	6,534	95,750	95,800	7,155	6,409	6,781
89,800	89,850	6,665	5,939	6,291	92,800	92,850	6,912	6,176	6,538	95,800	95,850	7,160	6,413	6,786
89,850	89,900	6,669	5,943	6,295	92,850	92,900	6,916	6,180	6,542	95,850	95,900	7,164	6,417	6,790
89,900	89,950	6,673	5,947	6,299	92,900	92,950	6,920	6,184	6,546	95,900	95,950	7,168	6,421	6,794
89,950	90,000	6,677	5,951	6,303	92,950	93,000	6,924	6,188	6,550	95,950	96,000	7,172	6,425	6,798
<b>90,000</b>					<b>93,000</b>					<b>96,000</b>				
90,000	90,050	6,681	5,955	6,307	93,000	93,050	6,929	6,192	6,555	96,000	96,050	7,176	6,429	6,802
90,050	90,100	6,685	5,959	6,311	93,050	93,100	6,933	6,196	6,559	96,050	96,100	7,180	6,433	6,806
90,100	90,150	6,689	5,963	6,315	93,100	93,150	6,937	6,200	6,563	96,100	96,150	7,184	6,437	6,810
90,150	90,200	6,693	5,967	6,319	93,150	93,200	6,941	6,204	6,567	96,150	96,200	7,188	6,441	6,814
90,200	90,250	6,698	5,971	6,324	93,200	93,250	6,945	6,208	6,571	96,200	96,250	7,193	6,446	6,819
90,250	90,300	6,702	5,975	6,328	93,250	93,300	6,949	6,212	6,575	96,250	96,300	7,197	6,450	6,823
90,300	90,350	6,706	5,979	6,332	93,300	93,350	6,953	6,216	6,579	96,300	96,350	7,201	6,454	6,827
90,350	90,400	6,710	5,983	6,336	93,350	93,400	6,957	6,220	6,583	96,350	96,400	7,205	6,458	6,831
90,400	90,450	6,714	5,987	6,340	93,400	93,450	6,962	6,224	6,588	96,400	96,450	7,209	6,462	6,835
90,450	90,500	6,718	5,991	6,344	93,450	93,500	6,966	6,228	6,592	96,450	96,500	7,213	6,466	6,839
90,500	90,550	6,722	5,994	6,348	93,500	93,550	6,970	6,231	6,596	96,500	96,550	7,217	6,470	6,843
90,550	90,600	6,726	5,998	6,352	93,550	93,600	6,974	6,235	6,600	96,550	96,600	7,221	6,474	6,847
90,600	90,650	6,731	6,002	6,357	93,600	93,650	6,978	6,239	6,604	96,600	96,650	7,226	6,479	6,852
90,650	90,700	6,735	6,006	6,361	93,650	93,700	6,982	6,243	6,608	96,650	96,700	7,230	6,483	6,856
90,700	90,750	6,739	6,010	6,365	93,700	93,750	6,986	6,247	6,612	96,700	96,750	7,234	6,487	6,860
90,750	90,800	6,743	6,014	6,369	93,750	93,800	6,990	6,251	6,616	96,750	96,800	7,238	6,491	6,864
90,800	90,850	6,747	6,018	6,373	93,800	93,850	6,995	6,255	6,621	96,800	96,850	7,242	6,495	6,868
90,850	90,900	6,751	6,022	6,377	93,850	93,900	6,999	6,259	6,625	96,850	96,900	7,246	6,499	6,872
90,900	90,950	6,755	6,026	6,381	93,900	93,950	7,003	6,263	6,629	96,900	96,950	7,250	6,503	6,876
90,950	91,000	6,759	6,030	6,385	93,950	94,000	7,007	6,267	6,633	96,950	97,000	7,254	6,507	6,880

\*This column must also be used by qualifying widow(er)

Continued on next page

If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —			If line 43 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold	At least	But less than	Single or Married filing sepa- rately	Married filing jointly *	Head of a house- hold
Your tax is —					Your tax is —					Your tax is —				
<b>97,000</b>					<b>98,000</b>					<b>99,000</b>				
97,000	97,050	7,259	6,512	6,885	98,000	98,050	7,341	6,594	6,967	99,000	99,050	7,424	6,677	7,050
97,050	97,100	7,263	6,516	6,889	98,050	98,100	7,345	6,598	6,971	99,050	99,100	7,428	6,681	7,054
97,100	97,150	7,267	6,520	6,893	98,100	98,150	7,349	6,602	6,975	99,100	99,150	7,432	6,685	7,058
97,150	97,200	7,271	6,524	6,897	98,150	98,200	7,353	6,606	6,979	99,150	99,200	7,436	6,689	7,062
97,200	97,250	7,275	6,528	6,901	98,200	98,250	7,358	6,611	6,984	99,200	99,250	7,440	6,693	7,066
97,250	97,300	7,279	6,532	6,905	98,250	98,300	7,362	6,615	6,988	99,250	99,300	7,444	6,697	7,070
97,300	97,350	7,283	6,536	6,909	98,300	98,350	7,366	6,619	6,992	99,300	99,350	7,448	6,701	7,074
97,350	97,400	7,287	6,540	6,913	98,350	98,400	7,370	6,623	6,996	99,350	99,400	7,452	6,705	7,078
97,400	97,450	7,292	6,545	6,918	98,400	98,450	7,374	6,627	7,000	99,400	99,450	7,457	6,710	7,083
97,450	97,500	7,296	6,549	6,922	98,450	98,500	7,378	6,631	7,004	99,450	99,500	7,461	6,714	7,087
97,500	97,550	7,300	6,553	6,926	98,500	98,550	7,382	6,635	7,008	99,500	99,550	7,465	6,718	7,091
97,550	97,600	7,304	6,557	6,930	98,550	98,600	7,386	6,639	7,012	99,550	99,600	7,469	6,722	7,095
97,600	97,650	7,308	6,561	6,934	98,600	98,650	7,391	6,644	7,017	99,600	99,650	7,473	6,726	7,099
97,650	97,700	7,312	6,565	6,938	98,650	98,700	7,395	6,648	7,021	99,650	99,700	7,477	6,730	7,103
97,700	97,750	7,316	6,569	6,942	98,700	98,750	7,399	6,652	7,025	99,700	99,750	7,481	6,734	7,107
97,750	97,800	7,320	6,573	6,946	98,750	98,800	7,403	6,656	7,029	99,750	99,800	7,485	6,738	7,111
97,800	97,850	7,325	6,578	6,951	98,800	98,850	7,407	6,660	7,033	99,800	99,850	7,490	6,743	7,116
97,850	97,900	7,329	6,582	6,955	98,850	98,900	7,411	6,664	7,037	99,850	99,900	7,494	6,747	7,120
97,900	97,950	7,333	6,586	6,959	98,900	98,950	7,415	6,668	7,041	99,900	99,950	7,498	6,751	7,124
97,950	98,000	7,337	6,590	6,963	98,950	99,000	7,419	6,672	7,045	99,950	100,000	7,502	6,755	7,128

**100,000 OR OVER —  
You MUST use the tax rate schedules.**

\*This column must also be used by qualifying widow(er)

# 2009 Tax Rate Schedules

**CAUTION – If your taxable income is less than \$100,000, you MUST use the Tax Table.**

## Schedule I

### SINGLE TAXPAYERS AND MARRIED FILING SEPARATE RETURNS

Use this schedule if you filled in Filing Status Oval 1 or 3 on Form N-15	If the amount on		Your tax is:	
	Form N-15, Line 43 is			
	Not over \$2,400 .....	1.40% of taxable income		
	Over \$2,400 but not over \$4,800 .....	\$ 34	plus 3.20% over \$2,400	
	Over \$4,800 but not over \$9,600 .....	\$ 110	plus 5.50% over \$4,800	
	Over \$9,600 but not over \$14,400 .....	\$ 374	plus 6.40% over \$9,600	
	Over \$14,400 but not over \$19,200 .....	\$ 682	plus 6.80% over \$14,400	
	Over \$19,200 but not over \$24,000 .....	\$ 1,008	plus 7.20% over \$19,200	
	Over \$24,000 but not over \$36,000 .....	\$ 1,354	plus 7.60% over \$24,000	
	Over \$36,000 but not over \$48,000 .....	\$ 2,266	plus 7.90% over \$36,000	
	Over \$48,000 but not over \$150,000 .....	\$ 3,214	plus 8.25% over \$48,000	
	Over \$150,000 but not over \$175,000 .....	\$ 11,629	plus 9.00% over \$150,000	
	Over \$175,000 but not over \$200,000 .....	\$ 13,879	plus 10.00% over \$175,000	
	Over \$200,000 .....	\$ 16,379	plus 11.00% over \$200,000	

## Schedule II

### MARRIED TAXPAYERS FILING JOINT RETURNS AND CERTAIN WIDOWS AND WIDOWERS

Use this schedule if you filled in Filing Status Oval 2 or 5 on Form N-15	If the amount on		Your tax is:	
	Form N-15, Line 43 is:			
	Not over \$4,800 .....	1.40% of taxable income		
	Over \$4,800 but not over \$9,600 .....	\$ 67	plus 3.20% over \$4,800	
	Over \$9,600 but not over \$19,200 .....	\$ 221	plus 5.50% over \$9,600	
	Over \$19,200 but not over \$28,800 .....	\$ 749	plus 6.40% over \$19,200	
	Over \$28,800 but not over \$38,400 .....	\$ 1,363	plus 6.80% over \$28,800	
	Over \$38,400 but not over \$48,000 .....	\$ 2,016	plus 7.20% over \$38,400	
	Over \$48,000 but not over \$72,000 .....	\$ 2,707	plus 7.60% over \$48,000	
	Over \$72,000 but not over \$96,000 .....	\$ 4,531	plus 7.90% over \$72,000	
	Over \$96,000 but not over \$300,000 .....	\$ 6,427	plus 8.25% over \$96,000	
	Over \$300,000 but not over \$350,000 .....	\$ 23,257	plus 9.00% over \$300,000	
	Over \$350,000 but not over \$400,000 .....	\$ 27,757	plus 10.00% over \$350,000	
	Over \$400,000 .....	\$ 32,757	plus 11.00% over \$400,000	

## Schedule III

### UNMARRIED HEADS OF HOUSEHOLD

Use this schedule if you filled in Filing Status Oval 4 on Form N-15	If the amount on		Your tax is:	
	Form N-15, Line 43 is:			
	Not over \$3,600 .....	1.40% of taxable income		
	Over \$3,600 but not over \$7,200 .....	\$ 50	plus 3.20% over \$3,600	
	Over \$7,200 but not over \$14,400 .....	\$ 166	plus 5.50% over \$7,200	
	Over \$14,400 but not over \$21,600 .....	\$ 562	plus 6.40% over \$14,400	
	Over \$21,600 but not over \$28,800 .....	\$ 1,022	plus 6.80% over \$21,600	
	Over \$28,800 but not over \$36,000 .....	\$ 1,512	plus 7.20% over \$28,800	
	Over \$36,000 but not over \$54,000 .....	\$ 2,030	plus 7.60% over \$36,000	
	Over \$54,000 but not over \$72,000 .....	\$ 3,398	plus 7.90% over \$54,000	
	Over \$72,000 but not over \$225,000 .....	\$ 4,820	plus 8.25% over \$72,000	
	Over \$225,000 but not over \$262,500 .....	\$ 17,443	plus 9.00% over \$225,000	
	Over \$262,500 but not over \$300,000 .....	\$ 20,818	plus 10.00% over \$262,500	
	Over \$300,000 .....	\$ 24,568	plus 11.00% over \$300,000	



STATE OF HAWAII—DEPARTMENT OF TAXATION  
**HAWAII TAXPAYER BILL OF RIGHTS**

**MESSAGE FROM THE DIRECTOR**

*This publication explains some of your most important rights as a taxpayer.*

*Hawaii taxpayers have many rights. Some are based on laws, and others are based on our commitment to administer Hawaii's tax laws in a fair and equitable manner. The Hawaii Taxpayer Bill of Rights compiles these rights for your easy reference.*

*Taxpayer rights are at the heart of good tax administration — a pledge that the tax laws will be administered with fairness, uniformity, courtesy, and common sense. In our commitment to this pledge, we invite your suggestions for improving the services provided by the Department of Taxation.*

**HAWAII TAXPAYER BILL OF RIGHTS**

**I. Protection of Taxpayer Rights**

Taxpayers are entitled to be informed about their rights and responsibilities and to be assured that their rights will be protected throughout their contact with the Department of Taxation.

**II. Tax Information**

Taxpayers have a right to tax information written in plain language.

Taxpayers have a right to examine their own tax records, audit files, and collection files.

Taxpayers have a right to request copies of their own tax returns and return information, if available, subject to copying fees.

Taxpayers have a right to obtain explanations regarding billings and assessments.

**III. Professional and Courteous Service**

Taxpayers have a right to prompt, courteous, and accurate responses to all questions and requests for tax assistance.

Taxpayers have a right to be assured that no civil service employee of the Department of Taxation will be paid, promoted, or in any way rewarded based on the amount of assessments made or taxes collected.

Taxpayers have a right to be free from harassment and inappropriate contact by Department of Taxation personnel in matters relating to the collection of delinquent taxes and during the course of audits.

**IV. Privacy and Confidentiality**

Taxpayers have a right to be assured that their dealings with the Department of Taxation will be kept confidential.

Taxpayers have a right to be assured that their tax returns and tax return information will not be disclosed, except as provided by law.

**V. Time Limitations**

Taxpayers are entitled to seek a refund if they have overpaid their taxes. A claim for refund must be filed within the applicable statute of limitations.

The Department of Taxation may assess a taxpayer additional taxes if the assessment is made within the applicable statute of limitations. There is no time limit on the assessment of taxes in the case of a false or fraudulent return or failure to file a return.

Taxpayers have a right to extend the period of limitations for the assessment or refund of taxes by signing a written agreement with the Department of Taxation.

If the Department of Taxation is notified by the Internal Revenue Service or a taxpayer of any changes, corrections, or adjustments to the taxpayer's Federal

tax return, the statute of limitations is automatically extended.

**VI. Audits and Assessments**

Taxpayers have a right to a Proposed Notice of Assessment except in the case of a jeopardy assessment. A Proposed Notice of Assessment is mailed to the taxpayer's last known address and: (1) explains the basis for the assessment of taxes, penalties, and interest; (2) informs taxpayers of their right to request clarification or to object to the tax assessment within thirty days from the date the Proposed Notice of Assessment was mailed; and (3) informs taxpayers that the proposed tax assessment will become final after the expiration of thirty days from the mailing of the Proposed Notice of Assessment.

Taxpayers have a right to a Final Notice of Assessment, issued after the expiration of thirty days from the mailing of the Proposed Notice of Assessment, that provides the basis for the tax assessment, and informs the taxpayer of the procedures for appealing the assessment.

Taxpayers have a right to request a meeting with the auditor or collector, their supervisor, or senior management to discuss a Proposed or Final Notice of Assessment if they do not agree with the tax assessment.

Taxpayers have a right to request that the Department of Taxation consider a closing agreement to reduce a Proposed or Final Notice of Assessment. Closing agreements are final.

**VII. Tax Appeals/Payment Under Protest**

Taxpayers have a right to information regarding procedures for appealing a tax assessment.

**Tax Appeals.** Taxpayers have a right to appeal an assessment, either to the board of review or to the tax appeal court. The appeal must be filed within 30 days from the date the Final Notice of Assessment was mailed. If the appeal is filed with the board of review, the decision of the board may be appealed within 30 days to the tax appeal court. If the appeal is filed with the tax appeal court, the decision of the tax appeal court may be appealed within 30 days to the Intermediate Appellate Court.

The first appeal to either the board of review or to the tax appeal court may be made without payment of the tax assessed. However, the assessed tax must be paid together with interest when the taxpayer appeals the decision by the board or the tax appeal court or the decision by the board in favor of the Department of Taxation is not appealed. In addition, a taxpayer who prevails before the board of review does not have to pay the assessed tax prior to an appeal by the Department of Taxation to the tax appeal court. Similarly, a taxpayer who prevails before the board of review and the tax appeal court does not have to pay the assessed tax prior to an appeal by the Department of Taxation to the Intermediate Appellate Court.

The tax appeal court may allow an individual taxpayer to appeal an income tax assessment without prior payment of the tax where the total tax liability does not exceed \$50,000 and the taxpayer shows that the payment of the tax would cause irreparable harm. Similarly, a circuit court may allow a taxpayer to appeal a general excise tax assessment without prior payment of the tax if the taxpayer shows that the payment of the tax would cause irreparable harm.

**Payment Under Protest.** In lieu of filing an appeal or if an appeal is not filed with the board of review or tax appeal court within 30 days from the date the Final Notice of Assessment was mailed, the taxpayer may pay the disputed tax assessment under written protest and seek to recover the taxes by filing an action in tax appeal court within 30 days from the date of payment.

**VIII. Representation**

Taxpayers have a right to represent themselves or have another person accompany or represent them (with proper written authorization) when dealing with the Department of Taxation on any tax matter, including audits, collections, and appeals.

**IX. Taxpayer Advocate**

Taxpayers have a right to seek the assistance of our Taxpayer Advocate to resolve any tax-related problem after all other means for resolving the problem have been exhausted, or if they feel that their rights as a taxpayer have been abridged, except in the case of a criminal tax investigation.

**X. Installment Agreements, Waivers, and Compromises**

**Installment Agreements.** Taxpayers have a right to request that the Department of Taxation consider an installment payment agreement to allow taxpayers to pay their delinquent taxes over time. The Department of Taxation will evaluate a request for an installment payment agreement based on the financial condition of the taxpayer. Taxpayers will be notified before collection action is taken on any outstanding tax liability if the installment payment agreement is in good standing. Interest will continue to accrue on the outstanding tax and penalty until paid in full. The Department may offset any outstanding tax liability with any credits due to the taxpayer from other taxes.

**Waiver of Penalties and Interest.** Taxpayers have a right to request that the Department of Taxation waive penalties and interest added to any tax if the taxpayer can show that failure to file a return or pay a tax on time was due to reasonable cause, i.e., not due to the taxpayer's own carelessness, neglect, or willful disregard of the law, but due to circumstances beyond the taxpayer's control.

**Compromise Offers.** Taxpayers have a right to request that the Department of Taxation consider a compromise offer to reduce any tax claim arising under the tax laws administered by the Department based on doubt as to liability or collectibility, subject to the Governor's approval. If the tax liability excluding penalties and interest is \$50,000 or less, the Director may approve the offer in compromise without the Governor's approval after the offer in compromise has been posted on the Department's website for 5-calendar days.

**XI. Collections**

Taxpayers have a right to be informed in writing to the taxpayer's last known address of possible collection actions that may be taken on delinquent taxes, including referral to a collection agency.

Taxpayers have a right to be notified of any cost recovery fee associated with any collection action.

Taxpayers have a right to have collection actions put on hold in the case of hardship or while discussing their situation with the collector, supervisor, or senior management, understanding that interest continues to accrue.

Taxpayers have a right to a prompt release of a lien upon payment of a tax delinquency and all filing fees.

Taxpayers have a right to have an incorrect lien corrected or released and to have a letter of clarification sent to a credit reporting company.

Taxpayers have a right to have all other collection actions exhausted before a seizure of a taxpayer's assets takes place, unless the Department of Taxation determines that the interests of the State are in jeopardy.

Taxpayers have a right to have the following property exempt from levy: wearing apparel; school books; fuel; provisions; furniture; personal effects; books and tools of a trade, business, or profession; unemployment benefits; and undelivered mail.

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