Clear Form

2005

Form N-15

STATE OF HAWAII — DEPARTMENT OF TAXATION

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

THIS PACKAGE CONTAINS: Form N-15, 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

IRS e-file

CLICK. ZIP. FAST ROUND TRIP!

E-file Form N-15!

For more information, visit our website at www.hawaii.gov/tax

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, 2006, 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. You can also obtain copies at any district tax office, or by calling our 24-hour Forms by Fax/Mail request line at 808-587-7572 or toll-free from the neighbor islands and continental U.S. at 1-800-222-7572.

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.

DUE DATE: APRIL 20, 2006

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

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

KURT KAWAFUCHI
Director of Taxation

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

PRSRT STD
U.S. Postage
PAID
Honolulu, Hawaii
Permit No. 481

Changes for 2005

- Forms N-11 and N-15, and Schedule CR have been redesigned for electronic scanning that permits faster processing with fewer errors.
- Federal Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return may **not** be used in lieu of Hawaii Form N-101A, and federal Form 2688, Application for Additional Extension of Time to File U.S. Individual Income Tax Return may **not** be used in lieu of Hawaii Form N-101B.
- Adopts the federal provision relating to the uniform definition of a qualifying child. (Act 60, SLH 2005)
- Adopts the federal provision relating to the state and local general sales tax deduction. (Act 60, SLH 2005)
- Adopts the federal provision relating to the extension of the deduction for certain expenses of educators. (Act 60, SLH 2005)
- Adopts the federal provision relating to the new deduction for costs involving discrimination suits. (Act 60, SLH 2005)
- Adopts the federal provision relating to the deduction for charitable cash contributions for the relief of victims of the 2004 Indian Ocean tsunami. (Act 60, SLH 2005)
- Increases the low-income housing tax credit from 30 to 50 percent of the applicable percentage of the qualified basis of each building located in Hawaii. (Act 196, SLH 2005)
- Exempts scholarship grants received by a student under the Nursing Scholars Program from taxable income. (Act 116, SLH 2005)
- Contribution of $5 ($10 if filing a joint return and your spouse wants to contribute) may be made to the Hawaii children's trust fund, the domestic violence and sexual assault special fund, and the spouse and child abuse special accounts. (Act 228, SLH 2004, and Act 142, SLH 2005)

Important Reminders for 2005

- At the top of Form N-15, you must fill in the applicable oval to indicate whether you are a part-year resident or a 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 or dual-status alien.
- Keep a copy of the worksheets you complete in the instructions for your records.
- If you are unable to file by April 20, 2006, you are granted an automatic 4-month extension of time to file Form N-15 without filing Form N-101A (or any other form). You may file Form N-101A if you want to make a payment with Form N-101A. 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.
- Line 41 on Form N-15 MUST be filled in. Failure to do so could cause delays in processing your return.
- Please be sure to fill in the appropriate filing status oval.
- 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, 2006. Mail your return to the appropriate mailing address as stated on page 6.
- 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 on page 55.
- Hawaii has not adopted the federal provisions for bonus depreciation and the increased IRC section 179 deduction.
- Federal income tax law changes enacted during the 2005 calendar year have not been adopted for Hawaii income tax purposes at the present time. A conformity bill will be introduced to the 2006 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	N-12	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	Farm Income and Expenses	None	Not Required
Sch J	Income Averaging for Farmers and Fishermen	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	N-188X	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
2038	Questionnaire — Exemption Claimed for Dependent	None	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 Income Tax by Individuals and Fiduciaries	N-210	No
2441	Child and Dependent Care Expenses	Schedule X	No
2688	Application for Additional Extension of Time to File U.S. Individual Income Tax Return	N-101B	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	Employee's Substitute Wage & Tax Statement	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 Accumulated Distribution of Trusts	N-405	No
4972	Tax on Lump-Sum Distributions	N-152	No
5213	Election to Postpone Determination (Hobby Losses)	None	Yes
5329	Additional Taxes Attributable to IRAs, Other Qualified Retirement Plans, Annuities, Modified Endowment Contracts, and MSAs	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 of Claim to Exemption for Child of Divorced or Separated Parents	None	Yes
8582	Passive Activity Loss Limitations	None	Yes
8586	Low-Income Housing Credit	N-586	No
8615	Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than $1,600	N-615	No
8814	Parent's 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 fax or mail, you may call 808-587-7572 or toll-free 1-800-222-7572.

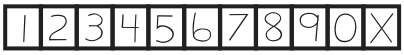
You may also obtain tax forms through the Department of Taxation's Internet address at www.hawaii.gov/tax.

Form N-15
General Instructions

Redesigned Form N-15 and Schedule CR!

Form N-15 and Schedule CR have been redesigned 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 ink pen. Do not use red ink or pencil nor felt tip pens.
- Because this form is read by a machine, please print your numbers inside the boxes like this:



- Do NOT print outside the boxes.
- Fill in ovals completely. Do not ✔ or ✘ the ovals.
- Do NOT enter cents. All numbers that are required to be rounded to the nearest dollar should NOT be printed over the zeros printed in the handprint boxes used to designate cents.
- Do NOT use dollar signs, slashes, dashes or parenthesis in the boxes.
- Photocopying 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	$1,990
Single or legally separated	$2,540
Single, head of household	$2,690
Qualifying widow(er) with a dependent child	$2,940
Married couple filing jointly	$3,980

For Individuals Age 65 or older	
Filing Status	**Gross Income of**
Married filing separately	$3,030
Single or legally separated	$3,580
Single, head of household	$3,730
Qualifying widow(er) with a dependent child	$3,980
Married couple filing jointly, **one** is 65 or older	$5,020
Married couple filing jointly, **both** are 65 or older	$6,060

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-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, N-12, 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, N-12, 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-12 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-11 or 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 2005. 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, N-12, 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 filed a federal resident tax return (Form 1040, 1040A, or 1040EZ) for the calendar year;
- 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 do not make the *Election Under Act 60, SLH 1976* described on page 4; and
- If you are married:
  - —Your filing status is the same on your federal and Hawaii tax returns, **or**
  - —You are filing a joint Hawaii return and both you and your spouse are filing federal returns.
- But if you qualify to file Form N-13, you may file it instead of Form N-11.

Note: *If a resident taxpayer died during the year, a return for that taxpayer (including a joint return for a surviving spouse) must be filed on Form N-11 if the corresponding federal return is filed. If a corresponding federal return is not filed, use Form N-12. See Death of Taxpayer on page 6.*

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 MUST use Form N-12 if:

- You are not required to use Form N-11 or Form N-15.
- But if you qualify to file Form N-13, you may file that form instead of Form N-12.

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 or Form N-12 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, and allows you to take the same deductions and credits that would be available on Form N-12.

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, 2006. 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 31. If you cannot meet the deadline, you are not required to file Form N-101A, Application for Automatic Extension of Time to File Hawaii Individual Income Tax Return, (or any other form) to request an automatic 4-month extension of time to file Form N-15. The 4-month extension is automatically granted without a filing of any kind. However, you will not be granted an automatic extension if you are under a court order to file your return by the regular due date.

Form N-101A need only be filed if you are making a payment, in which case Form N-101A must accompany your payment. The extension of time to file is not an extension of time for payment of tax.

Form N-101A can be filed electronically through the State's Internet portal. For more information, go to www.ehawaiigov.org/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.

Where to Get Information

Taxpayer Services Branch

Website: www.hawaii.gov/tax

E-mail: Taxpayer.Services@hawaii.gov

Telephone:
808-587-4242
Toll-Free: 1-800-222-3229
TDD/TTY: 808-587-1418 (For the hearing impaired)
TDD/TTY Toll-Free: 1-800-887-8974 (For the hearing impaired)

Tax forms by Fax/Mail:
808-587-7572
Toll-Free: 1-800-222-7572

Other Information

Death of Taxpayer

Did the taxpayer die before filing a return for 2005? 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 2005 and you did not remarry in 2005, or if your spouse died in 2006 before filing a return for 2005, you may still file a joint return for the 2005 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 word "**DECEASED**" and the date of death also must be written after the deceased taxpayer's first name and middle initial in the name and address area of the tax return.

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 electronically through the State's Internet portal. For more information, go to www.ehawaiigov.org/efile.

Date and Payment of Estimated Tax. Your declaration for 2006 must be filed on or before April 20, 2006. The tax may be paid in full with the declaration, or in equal installments on or before April 20, 2006, June 20, 2006, September 20, 2006, and January 20, 2007. 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 31.

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.

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 31.

Finally, steps 7 through 12 begin on page 31. 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"*.

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.

Nonresident tax form and instruction packages are not automatically mailed to you, unless you checked the box on the Form N-15 you filed last year requesting the packet of forms.

All forms and instructions you need may be picked up at any district tax office. You may also request that the forms be mailed or faxed 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 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 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 low-income refundable tax credit or the credit for low-income household renters 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.*

Take the mailing label from the forms 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 "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 "Applied For" across the boxes provided for the social security number. You do not have to print only one letter in each 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, 2005, 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, 2005, consider yourself married for the whole year.

If your spouse died during 2005, consider yourself married to that spouse for the whole year, unless you remarried before the end of 2005.

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 2005, had a child living with you, and lived apart from your spouse during the last 6 months of 2005, you may be able to file as Head of Household. See *Married Persons Who Live Apart (and Abandoned Spouses)* 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 2005 or in 2006 before filing a return for 2005, 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 this page under *Married Persons Who Live Apart (and Abandoned Spouses).* 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 Box 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 (and Abandoned Spouses*), below.

Married Persons Who Live Apart (and Abandoned Spouses)

You will be considered unmarried if you meet **ALL** of the following tests:

1) You file a separate return,
2) You paid more than half the cost of keeping up your home for the tax year,
3) Your spouse did not live in your home during the last 6 months of the tax year, and
4) Your home was, for more than 6 months of the year, the principal home of your child, stepchild, adopted child, or foster child whom you can claim as a dependent (or whom you could claim as your dependent except that the noncustodial parent will claim the child as a dependent under the rules discussed on page 9, for *Children of Divorced or Separated Parents*).

If you are considered unmarried under these rules, you will qualify to file as Head of Household.

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 (and Abandoned Spouses)* will not apply to you unless you meet all of the tests above, 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.

Head of Household

There are special tax rates for a person who can meet the tests for Head of Household. These rates are lower than the rates for Single or Married Filing Separate Returns.

In general, you can use Head of Household filing status only if, as of the end of the year, you were unmarried or "considered unmarried" and you paid over half the cost of keeping up a home:

1. That was the main home for the entire year of your parent whom you can claim as a dependent (your parent did not have to live with you), or
2. In which you lived for more than half of the year with either of the following:
   a. Your qualifying child (defined later, but without regard to the exception for children of divorced or separated parents). But, if your qualifying child is married at the end of the year, see *Married child,* later.
   b. Any other person whom you can claim as a dependent.

But you cannot use Head of Household filing status for a person who is your dependent only because:

- He or she lived with you for the entire year, or
- You are entitled to claim him or her as a dependent under a multiple support agreement.

Married child. If your qualifying child is married at the end of the year, both of the following must apply for the child to be your qualifying child for purposes of Head of Household filing status.

- The child cannot file a joint return unless 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.
- The child must be a U.S. citizen, U.S. national, or a resident of the United States, Canada, or Mexico. An exception applies for certain adopted children.

Note: *If you receive payments under the Aid to Families with Dependent Children (AFDC) program and use 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.

Qualifying Widow(er) With Dependent Child

If your spouse died during 2003 or 2004 and you did not remarry before the end of 2005, file a return for 2005 showing only your own income, exemptions, deductions, and credits. However, you can figure your tax at joint return rates if you meet **ALL 3** of the following tests:

- You could have filed a joint return with your spouse for the year your spouse died. (It does not matter whether or not you actually filed a joint return.)
- Your dependent child, stepchild, or foster child lived with you (except for temporary absences for vacation or school).
- You paid over half the cost of keeping up the home for this child for the whole year.

Fill in oval 5, Qualifying Widow(er) with Dependent Child, and show the year your spouse died in the boxes provided. Do not claim an exemption for your spouse. (You can claim the exemption only for the year your spouse died.)

If your spouse died in 2005 and you did not remarry, consider yourself married for the whole year. If your spouse died before **2003** and you did not remarry, you may fill in oval 4 if you met the tests under **Head of Household.** Otherwise you must file as Single. Also see page 6 of instructions, Death of Taxpayer.

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 above, 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, 2006, you can take the extra exemption for age in 2005.

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.

Act 60, Session Laws of Hawaii 2005, defines a dependent as: (1) a qualifying child, or (2) a qualifying relative.

Qualifying Child

To claim the dependency exemption for a qualifying child all of the following tests must be met.

Relationship. The child must be your child (including an adopted child, stepchild, or eligible foster child), brother, sister, stepbrother, stepsister, or a descendent of one of these relatives.

An adopted child includes a child lawfully placed with you for legal adoption even if the adoption is not final.

An eligible foster child is any child who is placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Residency. The child must live with you for more than half of the year. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, or detention in a juvenile facility count as time lived at home. A child who was born or died during the year is considered to have lived with you for the entire year if your home was the child's home for the entire time he or she was alive during the year. Also, exceptions apply, in certain cases, for children of divorced or separated parents and parents of kidnapped children. For more information, see **Children of Divorced or Separated Parents** on this page and federal Publication 501, Exemptions, Standard Deduction, and Filing Information.

Age. The child must be under age 19 at the end of the year, or under age 24 at the end of 2005 if a student, or any age if permanently and totally disabled.

A student is any child who, during any 5 months of the year:

- 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 night school.

Support. The child cannot have provided over half of his or her own support during the year. For the definition of support, see federal Publication 501.

Citizen or resident. The child generally must be a U.S. citizen, U.S. national, or a resident of the United States, Canada, or Mexico. However, if you are a U.S. citizen who has legally adopted a child who is not a U.S. citizen or resident, and the other dependency tests are met, you can take the exemption if your home is the child's main home and the child is a member of your household for your entire tax year.

Joint return. If married, the child cannot file a joint return unless 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.

Dependent's dependents. If you are a dependent of another person, you cannot claim any dependents on your return.

Qualifying child of more than one person. If a child is claimed as a qualifying child by two or more taxpayers in a given year, the child will be the qualifying child of:

- the parent;
- if more than one taxpayer is the child's parent, the one with whom the child lived for the longest time during the year, or, if the time was equal, the parent with the highest adjusted gross income;
- if no taxpayer is the child's parent, the taxpayer with the highest adjusted gross income.

Qualifying Relative

To claim the dependency exemption for a qualifying relative all of the following tests must be met.

Member of household or relationship. To meet this test, a person must either: (1) live with you for the entire year as a member of your household, or (2) be related to you in one of the following ways:

- a child (including an adopted child, stepchild, or eligible foster child) or a descendant of a child,
- a brother, sister, stepbrother, or stepsister,
- the father or mother, or an ancestor of either,
- a stepfather or stepmother,
- a son or daughter of a brother or sister of the taxpayer,
- a brother or sister of the father or mother of the taxpayer,
- a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law.

A person does not meet the member of household test if at any time during your tax year the relationship between you and that person violates local law.

Gross income. The person's gross income must be less than $3,200.

Note: *Gross income does not include tax-exempt income such as social security or welfare benefits.*

Support. You must have provided over half of the person's total support during the year. For the definition of support, see federal Publication 501. But there are two exceptions to this test: one for children of divorced or separated parents and one for persons supported by two or more taxpayers. For more information, see **Children of Divorced or Separated Parents** and **Persons Supported by Two or More Taxpayers** on this page.

Not a qualifying child. The person cannot be a qualifying child for the taxpayer or for any other taxpayer.

Citizen or resident. The person generally must be a U.S. citizen, U.S. national, or a resident of the United States, Canada, or Mexico. However, if you are a U.S. citizen who has legally adopted a child who is not a U.S. citizen or resident, and the other dependency tests are met, you can take the exemption if your home is the child's main home and the child is a member of your household for your entire tax year.

Joint return. If married, the person cannot file a joint return unless 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.

Dependent's dependents. If you are a dependent of another person, you cannot claim any dependents on your return.

Children of Divorced or Separated Parents

If a child receives over half of the child's support during the calendar year from the child's parents who are divorced or legally separated under a decree of divorce or separate maintenance, or separated under a written separation agreement, or lived apart at all times during the last 6 months of the calendar year, and one or both parents have custody of the child for more than half of the calendar year, the child is treated as being the qualifying child or qualifying relative of the noncustodial parent for the calendar year if the decree of divorce or separate maintenance or written separation agreement between the parents provides that the noncustodial parent is entitled to the exemption for the child, or the custodial parent signs a written declaration that he or she will not claim the exemption for the child. In the case of an agreement executed before January 1, 1985, the noncustodial parent must provide at least $600 for the child's support during the calendar year.

Support by the spouse of a remarried parent will be treated as support by that parent.

Persons Supported by Two or More Taxpayers

Sometimes no one provides more than half of the support of a person. Instead, two or more persons, each of whom would be able to take the exemption but for the support test, together provide more than half of the person's support.

When this happens, you can agree that any one of you who individually provides more than 10% of the person's support, but only one, can claim an exemption for that person. Each of the others must sign a statement agreeing not to claim the exemption for that year. The person who claims the exemption must keep these signed statements for his or her records. A multiple support declaration identifying each of the others who agreed not to claim the exemption must be attached to the return of the person claiming

the exemption. Federal Form 2120, Multiple Support Declaration, can be used for this purpose.

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 31. 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 18.
- 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, 2005. T moved to Hawaii on April 1, 2005, and continued to work as an insurance agent. T is a Hawaii resident for the remainder of 2005.

1) On March 20, 2005, 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, 2005. 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, 2005, $4,000 of which T earned before April 1, 2005. The $12,000 in commissions earned before April 2005 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 2005, 9/12 x $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 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.

- Benefits paid by the Hawaii Retirement System or similar public (Federal, City, County, or other State) 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 nonprofit 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.

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 rounded to $236). For rounding method 2, show your total Hawaii withholding as $237, ($50.55 rounded to $51.00 + $185.73 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 7, 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 10. 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 41 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 18.

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 37 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 37 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

If you received a refund or credit in 2005 for state or local income taxes you paid before 2005, 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 2005 that you were entitled to receive in 2005 but chose to apply to your 2005 estimated state income tax is considered to have been received in 2005.

Do not report your refund as income if the refund was for a year in which you did not itemize your deductions.

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

If you received a refund of 2004 taxes and you itemized deductions in 2004, figure the taxable portion of your refund using the *State Tax Refund Worksheet* on page 37. When completing the *State Tax Refund Worksheet* on page 37, enter an amount on line 2e only if 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.

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 2004 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 2004. 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.

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 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 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 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: *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 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 box to the left of the amount boxes. Use the *Capital Gain/Loss Worksheet* on page 37 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 box to the left of the amount boxes. Use the *Capital Gain/Loss Worksheet* on page 37 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:

a. Stock in trade or other property included in inventory or held for sale to customers.

b. 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.

c. Depreciable property used in your trade or business even if it was fully depreciated.

d. Real property (real estate) used in your trade or business.

e. A copyright, literary, musical or artistic composition, letter, memorandum, or similar property,

1. created by your personal efforts, or
2. prepared or produced for you (in the case of a letter, memorandum, or similar property), or
3. 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.

f. 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: *An exception is provided for the two-out-of-five year rule for certain uniformed and foreign service personnel with respect to the $250,000 gain exclusion for home sales.*

Note: *Act 60, Session Laws of Hawaii 2005, provides that you cannot exclude from income a gain from selling your main home after October 22, 2004, if you acquired the home in a like-kind exchange and sold it during the 5-year period beginning with the date you acquired the home.*

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 2005 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 22b.

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 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 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 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: *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 2005, 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-12/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-12/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-12/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 2005, 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-12/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-12/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 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 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 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

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 2005 you should receive this statement by January 31, 2006.

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.

  If you had any gambling losses, you may take them as a miscellaneous itemized deduction not subject to the 2% AGI limitation on line 38f. However, you cannot deduct more losses than the winnings you report.
- **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 19.
- **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: *Hawaii did not adopt the 5-year net operating loss carryback provision of the Job Creation and Worker Assistance Act (Public Law No. 107-147).*

If, in 2005, 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 2005 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 2005 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. Attach a computation of your net operating loss; and copies of your original 2005 federal Form 1040, and federal Schedules A, B, and D to the amended Form N-15. If these items are not attached, the processing of your amended Form N-15 may be delayed. For more information on filing an amended return on Form N-15, see page 32.

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 2005; enter it on line 19 and shade the minus (-) in 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 box to the left of the amount boxes.

Adjustments to Income

Line 21

Educator Expenses

If you were an eligible educator in 2005, you can deduct up to $250 of qualified expenses you paid in 2005. 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 2005 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) 2005 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 41 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 to 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**
Income after allowable deductions (Form N-15, page 2, 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 $2,594 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:

—$2,594, 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 2005 to maintain the tree. The affidavit must be notarized.

Enter the amount of qualified expenditures you made during 2005 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 2005 and write in the total on Form N-15, line 35 "Archer MSA Deduction" 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 2005 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 2005 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.
- Deduction for clean-fuel vehicles. If you placed a qualified clean-fuel vehicle in service in 2005, you can deduct $2,000 on line 35 if you did not use the vehicle in your business (other than as an employee). Include the deduction in the total on line 35 and write "Clean-Fuel" in the space to the left of the total. For more information, see the instructions for federal Form 1040 and federal Publication 535, Business Expenses.

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 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 25 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 $1,900 multiplied by your ratio of Hawaii AGI to Total AGI.
- Married and filing a separate return, and your itemized deductions are more than $950 multiplied by your ratio of Hawaii AGI to Total AGI.
- Single, and your itemized deductions are more than $1,500 multiplied by your ratio of Hawaii AGI to Total AGI.
- A Head of Household, and your itemized deductions are more than $1,650 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 38 if you are a nonresident, or on *Worksheets PY-1 to PY-6* on page 39 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 $3,200 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 $3,200 of wages during 2005. 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 2005, 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 15 cents a mile (22 cents a mile beginning September 1, 2005). 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 2005 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 2005 federal return, consult the instructions above to see which medical and dental expenses you may deduct. Complete *Worksheet NR-1* on page 38.

Part-year residents: If you itemized deductions on your 2005 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 2005 federal return, consult the instructions above to see which medical and dental expenses you may deduct. Complete *Worksheet PY-1* on page 39.

Line 38b

Taxes

Note: *Act 60, Session Laws of Hawaii 2005, provides that you can elect to deduct state and local general sales taxes instead of state and local income taxes. You cannot deduct both.*

Certain taxes you paid during the year can be deducted.

Taxes You CAN Deduct

State and Local Income Taxes

If you deduct state and local income taxes, check box **a** on line 8 of Worksheet NR-2 or PY-2.

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 2005, and payments made in 2005 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 2005 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 2005. 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 8 of Worksheet NR-2 or PY-2. To figure your deduction, you can use either of the following methods.

1. The actual state and local general sales taxes (including compensating use taxes) you paid plus any selective sales taxes if the tax rate was the same as the general sales tax rate. For selective sales taxes on food, clothing, medical supplies, and motor vehicles, the tax is deductible even if the tax rate was less than the general sales tax rate. For selective sales taxes on motor vehicles for which the tax rate was more than the general sales tax rate, the tax is deductible only up to the amount of tax that would have been imposed at the general sales tax rate. Do not include sales taxes paid on items used in your trade or business.
2. The Optional State Sales Tax Tables, which are available in federal Publication 600. If you use the Optional State Sales Tax Tables, you can add to the table amount any state and local general sales taxes you paid on motor vehicles, boats, and any other items specified in federal Publication 600. The deductible amount of tax on motor vehicles cannot exceed the tax that would have been imposed at the general sales tax rate. For boats, the tax is deductible only if it was imposed at the general sales tax rate. See federal Publication 600 for details. Do not include sales taxes paid on items used in your trade or business.

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. (However, see *Miscellaneous Deductions* on page 23).
- 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 (1) Hawaii income taxes paid or withheld, or the amount of general sales taxes multiplied by the ratio of adjusted gross income attributable to Hawaii to the total adjusted gross income attributable to worldwide sources, and (2) real estate taxes paid on property located in Hawaii. Complete *Worksheet NR-2* on page 38.

Part-year residents: If you itemized deductions on your 2005 **federal** return, you may enter the same amount from Form 1040, Schedule A, line 9 on *Worksheet PY-2*, line 12.

Exception: 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 39 the **entire** amount of state and local income taxes you paid in 2005, even if you reported a different amount on line 5 of federal Form 1040, Schedule A. Enter the amounts from lines 6, 7, and 8 of federal Schedule A on lines 9, 10, and 11, respectively, of *Worksheet PY-2*.

If you did **not** itemize deductions on your 2005 federal return, consult the instructions above to see which taxes you may deduct. Complete *Worksheet PY-2* on page 39.

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 2005. 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 2005. 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 mort-

gage 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 2005. In March 2005, 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 2005, 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.

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 2004, 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 38.

Part-year residents: If you itemized deductions on your 2005 **federal** return, you may write the amount from line 14 of your 2005 federal Schedule A on *Worksheet PY-3*, line 23.

Exception:

- If you had to file a 2005 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 22 of *Worksheet PY-3*. Enter the amounts from lines 10, 11, and 12 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 2005 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, and 13 of federal Form 1040, Schedule A, on the corresponding lines of *Worksheet PY-3*.

If you did **not** itemize deductions on your 2005 federal return, consult the instructions above to see which interest expense you may deduct. Complete *Worksheet PY-3* on page 39.

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 30; 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.*

Other Than by Cash or Check

On *Worksheet NR-4*, line 18; or *Worksheet PY-4*, line 31; 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.

Note: *Act 60, Session Laws of Hawaii 2005, provides that the deduction for motor vehicles (as well as boats and planes) contributed to charity after December 31, 2004, for which the claimed value exceeds $500 is dependent on the charity's use of the donated property. If the charity sells the vehicle without any "significant intervening use" or "material improvement," the donor's charitable deduction can't exceed the gross proceeds from the charity's sale proceeds. See the instructions for federal Form 1040, Schedule A – Gifts to Charity for more information.*

For gifts valued at over $500, *attach a statement to Form N-15 showing:*

a. The address of the organization.

b. A description of the property.

c. Any condition attached to the gift.

d. How you got the property.

e. The cost or other basis of the property if:

1. You owned it less than five years, or
2. You must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.

f. How you figured your deduction if you choose to reduce your deduction for contributions of capital gain property.

g. If the gift was a "qualified conservation contribution" under IRC section 170(h), also include the fair market value of the underlying property before and after the gift, the type of legal interest donated, and describe the conservation purpose furthered by the gift.

Federal Form 8283 may be used for this purpose.

If you donate property to an organization for which you claim a deduction of over $5,000 ($10,000 for stock except publicly traded stock) for a single item (plus all similar items donated to one or more organizations), you must attach an appraisal of the donated property's fair market value to your return. The appraisal must be obtained from a qualified independent appraiser. A copy of federal Form 8283 may be used for this purpose as well.

If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale.

Nonresidents: If you itemized deductions on your 2005 federal return, write the amount from line 18 of Form 1040, Schedule A on *Worksheet NR-4*, line 20.

You should complete all lines on *Worksheet NR-4* on page 38 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 2005 federal return, consult the instructions above to see which contributions you may deduct. Complete *Worksheet NR-4* on page 38.

Part-year residents: If you itemized deductions on your 2005 **federal** return, write the amount from line 18 of Form 1040, Schedule A on *Worksheet PY-4*, line 33.

You should complete all lines on *Worksheet PY-4* on page 39 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 2005 federal return, consult the instructions above to see which contributions you may deduct. Complete *Worksheet PY-4* on page 39.

Line 38e

Casualty and Theft Losses

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 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. Write the amount from line 16 of federal Form 4684 on line 22 of *Worksheet NR-5* on page 38, 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. Write the amount from line 16 of federal Form 4684 on line 35 of *Worksheet PY-5* on page 39, fill in *Worksheet PY-5*, and 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 gambling losses (to the extent of winnings) and 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.
- Amount paid for the purchase of a net operating loss from a qualified high technology business.

Expenses NOT Subject to the 2% Limit

Other Deductions

Report only the following expenses:

- Gambling losses, but only to the extent of gambling winnings that were reported on Form N-15, line 19.
- Federal estate tax on income in respect of a decedent.
- 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.

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 2005 federal return, consult the instructions above to see which miscellaneous deductions you may deduct.

If you itemized deductions on your 2005 **federal** return, take the amounts on Form 1040, Schedule A, lines **23 and 27** and write them on lines 47 and 56 of *Worksheet PY-6* on page 39. Then, complete the worksheet.

Note for nonresidents and part-year residents: If you made **political contributions** in 2005, 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 40 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.

Filing Status	Standard Deduction
Single	$1,500
Married filing jointly	1,900
Married filing separately	950
Head of Household	1,650
Qualifying Widow(er)	1,900

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 box to the left of the amount boxes.

Line 42a

Exemptions

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

One individual (any filing status) —	$7,000
Husband and Wife (non-disabled spouse *under* 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.*

Enter the appropriate amount on line 42a.

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. Then, go to the Tax Computation Worksheet on page 40.

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.

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 40 if your taxable income is over $40,000 ($20,000 for Single, and Married Filing Separately, or $30,000 for Head of Household classifications). If your taxable income is $40,000 ($20,000 for Single, and Married Filing Separately, or $30,000 for Head of Household classifications) or under, do not use the *Tax on Capital Gains Worksheet* on page 40.

Form N-168

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.

Total Tax Liability

Use the *Tax Computation Worksheet* on page 40 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 14, 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 40. 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 40.

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 40.

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 40.

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 40.

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 40, **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

The energy conservation tax credit expired on June 30, 2003. You may claim the tax credit only if you have a carryover of the tax credit from a prior year.

For more information, see Form N-157, Carryover of the Credit for Energy Conservation.

To claim the carryover of this credit. Complete Form N-157 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.*

Note: *Effective July 1, 2005, Act 196, Session Laws of Hawaii 2005, increases the low-income housing tax credit from 30% to 50% of the applicable percentage of the qualified basis of each building located in Hawaii.*

Hawaii's low-income housing tax credit is equal to 30% (50% effective July 1, 2005) 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

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.

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. You may claim the tax credit only if (1) you received a distributive share of the tax credit from a partnership, trust, estate, or S corporation, or (2) you have a carryover of the tax credit from a prior year.*

A taxpayer contributing matching funds to an individual development account may claim a tax credit of 50% of the amount contributed.

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-320, Individual Development Account Contribution Tax Credit.

To claim this credit. Complete Form N-320 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.

Technology Infrastructure Renovation Tax Credit

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.

Hotel Construction and Remodeling Tax Credit

The 10% nonrefundable hotel construction and remodeling tax credit may not be claimed for qualified construction or renovation costs incurred after June 30, 2003. You may claim the 10% nonrefundable tax credit only if you have a carryover of the tax credit from a prior year.

For more information, see Form N-314, Hotel Construction and Remodeling Tax Credit, and Tax Information Release No. 2000-2, *Hotel Construction and Remodeling Tax Credit.*

To claim the carryover of this credit. Complete Form N-314 and Schedule CR and attach them to your return.

Carryover of the Residential Construction and Remodeling Tax Credit

The residential construction and remodeling tax credit may not be claimed for construction or renovation costs incurred after June 30, 2003. You may claim the tax credit only if you have a carryover of the tax credit from a prior year.

For more information, see Form N-332, Carryover of the Residential Construction and Remodeling Tax Credit, and Tax Information Release No. 2002-3, *Residential Construction and Remodeling Tax Credit.*

To claim the carryover of this credit. Complete Form N-332 and Schedule CR and attach them to your return.

Renewable Energy Technologies Income Tax Credit

Each resident taxpayer who files an individual income tax return for 2005 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 **after June 30, 2003.** 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 new federal energy tax credit similar to this credit that is established after June 30, 2003, and 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 **after 6/30/03:**

Type of Renewable Energy Technology System	Tax Credit Rate
1. **Solar thermal energy systems**	
a. Single-family residential property.	The lesser of 35% of the actual cost of the system or $1,750.
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.
2. **Wind powered energy systems**	
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 $250,000.
3. **Photovoltaic energy systems**	
a. Single-family residential property.	The lesser of 35% of the actual cost of the system or $1,750.
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.

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.

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-335 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.

Note: *If taxes were withheld on the sale of Hawaii real property, report this amount on line 48, "2005 Estimated Tax Payments".*

Line 48

2005 Estimated Tax Payments

Enter on this line only your estimated Hawaii income tax payments you made on Form N-1 for 2005. Do not include your 2004 overpayment that you requested to have applied to your 2005 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 29.

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

2004 Overpayment Applied to 2005 Estimated Tax

Enter on this line any overpayment from your 2004 return that you applied to your 2005 estimated tax as shown on line 58 of your 2004 Form N-15.

Line 50

Amount Paid with Extension(s)

If you made a payment with Form N-101A and/or N-101B, 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, 2006, 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

Low-Income Refundable Tax Credit

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

If your total adjusted gross income was $20,000 or less, you may qualify for this credit. See the instructions for Schedule X, Part I, on page 32. 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 2005 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 33. 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 34. 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 2005 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

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 23, on Form N-15, line 55. Attach Schedule CR directly behind Form N-15.

Note: *If you are filing an amended return on Form N-15 and line 55 is a negative number because you claimed a refund on your original return, shade the minus (-) in box to the left of the amount boxes.*

The following refundable tax credits are included on Schedule CR:

Capital Goods Excise Tax Credit

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.

Hotel Construction and Remodeling Tax Credit

Each taxpayer subject to Hawaii's net income tax and transient accommodations tax may claim a hotel construction and remodeling tax credit for each qualified hotel facility located in Hawaii. The credit is 4% of the qualified construction or renovation costs incurred during the taxable year for costs incurred **after June 30, 2003.** The credit is not available for taxable years beginning after December 31, 2005.

To claim this credit. Complete Form N-314 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 and Film Production Income Tax Credit

A taxpayer may claim an income tax credit of up to 4% of costs incurred, and of up to 7.25% of transient accommodations costs incurred in Hawaii in the production of motion picture or television films.

To claim this credit. Complete Form N-316 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.

Drought Mitigating Water Storage Facility Income Tax Credit

A refundable credit in the amount of 4% is available for qualifying costs incurred and paid by farmers or ranchers for a qualified water storage facility. A qualified water storage facility is a water storage facility that is part of a conservation plan approved by the local soil and water conservation district. Qualifying costs are any costs incurred and paid by the taxpayer after December 31, 2000, for the new construction of a qualified water storage facility or the repair or reconstruction of an existing qualified water storage facility, including the costs of new equipment related to the construction or repair of the new or existing qualified water storage facility, but does not include amounts received through grant or subsidy from any federal or state government. The credit is not available for taxable years beginning after December 31, 2005.

To claim this credit. Complete Form N-328 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.

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, 2012.

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.

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 22a, 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 22b, and attach an explanation.

Line 56

Total Payments and Credits

Add lines 47 through 55. Enter the amount on this line. If line 56 is a negative number, shade the minus (-) in box to the left of the amount boxes.

Refund or Balance Due

Line 57

Amount Overpaid

If line 56 is larger than line 46, line 56 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 60a).

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 60b).

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 60c).

Line 58

Applied to 2006 Estimated Tax

Enter the amount from line 57 that you want applied to your estimated tax for 2006.

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 59

Line 57 minus line 58.

Line 60a

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 60b

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 60c

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

Refund

Line 59 minus line 61. This is the amount that will be refunded to you.

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.*

Line 63

Balance Due

If line 46 is larger than line 56, line 46 minus line 56 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 "2005 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 63.*

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., 2005 N-15).*

Line 64

Estimated Tax Penalty

See the instructions for *Penalties and Interest* on page 31 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 64. Do not include the penalty amount on line 57 or line 63. 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 64 if Form N-210 is attached.

Line 65

2006 Forms

If you would like us to mail you a packet of forms for next year's filing, fill in the oval at line 65, and you will receive the 2006 Form N-15 packet.

If you will be a full-year resident for 2006, and need the 2006 Forms N-11/N-12 packet, see page 6 for the phone number to request the forms you need.

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 was established by the Hawaii State Legislature to support public financing of Hawaii governor's election campaigns.

You may have $2 go to the fund by filling in the "Yes" oval. On a joint return, one or both of you may choose to have $2 go to this fund, or both may choose not to.

If you fill in the "Yes" oval, it will not change the tax or refund shown on your return.

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.

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, 2006, you are not required to file Form N-101A, Application for Automatic Extension of Time to File Hawaii Individual Income Tax Return, (or any other form) to request an automatic 4-month extension of time to file Form N-15. The 4-month extension is automatically granted without a filing of any kind. However, you will not be granted an automatic extension if you are under a court order to file your return by the regular due date.

Form N-101A need only be filed if you are making a payment, in which case Form N-101A must accompany 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. You should estimate the amount of tax you think will be due, and pay any tax you think you will owe. If, after April 20, you find that your estimate of the tax due was too low, you should pay the additional tax as soon as possible to avoid further accumulation of penalties and interest. Pay any estimated additional tax with another 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 2005 tax liability; or
2) 100% of the tax shown on the 2004 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 2004 amended return on a 2005 Form N-15.) Write the word "**AMENDED**" on the top middle of the return, and fill in the return with all of the correct information. Attach a statement to the amended return explaining the changes to income, deductions, and credits.

If you **paid additional tax** with your original return, include that amount in the total on line 22c of Schedule CR. Write "Additional tax paid with original return" on the dotted line to the left of the total. If you **claimed a refund** on your original return, subtract that amount from line 22c of Schedule CR. If line 22c of Schedule CR is a negative number, shade the minus (-) in box to the left of the amount boxes.

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 62 (Refund) on page 30.

You can get prior year forms from our website, by calling our Forms by Fax/Mail request line, 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.

You may **not** file an amended return on Form N-188X, Amended Individual Income Tax Return, to amend a Form N-15.

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.

Instructions for Schedule X — Tax Credits

Note: ***These credits may not be claimed by nonresidents.***

Purpose

Use Schedule X to claim the low-income refundable 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 file Schedule X to claim these credits so they can be refunded to you.**

Warning: *The low-income refundable 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
Low-Income Refundable 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 low-income refundable 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, 2005, that person could still be a qualified exemption.

- A child who is born during 2005 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

Adjusted Gross Income

If the total adjusted gross income shown on your return (Form N-15, line 36, Column A) is over $20,000, 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 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 over $20,000, 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 dependent children. 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 adjusted gross income from all sources, within and outside of Hawaii, whether your spouse is a resident or a nonresident.

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 more than $30,000, **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 more than $30,000, 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 2005, **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 2005, 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 2005 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 less than $1,000, **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 low-income refundable 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:

a. Any person under age 13 whom you claim as a dependent (but see Special Rule (4) below, *Children of Divorced or Separated Parents*).

b. Your disabled spouse who is mentally or physically unable to care for himself or herself.

c. 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 $3,200 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. Payments for food, clothing, or education are not such expenses. However, if the care provided includes expenses that cannot be separated, the full amount paid will be considered for the qualifying person's care. Thus, the full amount paid to a nursery school will be considered for the care of a child even though the school also furnishes lunch. Educational expenses for a child in the first or higher-grade level are not expenses for the child's care.

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 2005, 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:

1. You had custody of the child for the longer period during the year;
2. The child received over half of his or her support from one or both of the parents;
3. The child was in the custody of one or both of the parents over half of the year;
4. The child was under age 13, or was physically or mentally unable to care for himself or herself; and
5. The child is not your dependent because:

a. 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 2005; or

b. 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:

1. A dependent for whom you (or your spouse if you are married) can claim an exemption, or
2. 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 Forms by Fax/Mail request line, 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 3

Amount Forfeited

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.)

Line 7

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 17 and 18 below.

Line 8

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 34. If you are considered unmarried under that rule, enter your earned income (from line 7) on this line. If you are **not** considered unmarried under that rule, enter your spouse's earned income on line 8.

If your spouse was a student or disabled in 2005, see *Spouse Who Is a Full-time Student or Is Disabled* discussed on page 36.

All other taxpayers should enter the amount on line 7.

Line 10

Taxable Benefits

Enter the amount from the following worksheet.

a	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	Enter the amount from Schedule X, Part III, line 4.....	_____
c	Line b minus line a.....	_____
d	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 8).	_____
e	Enter the amount from Schedule X, Part III, line 9.....	_____
f	**Deductible benefits.** Enter the smallest of line a, line d, or line e. Also, include this amount on the appropriate line(s) of your return.....	_____
g	Enter the **smaller** of line d or line e.	_____
h	Enter the amount from line f.....	_____
i	**Excluded benefits.** Line g minus line h. If zero or less, enter -0-.....	_____
j	**Taxable benefits.** Line c minus line i. If zero or less, enter -0-. Enter the result here and on line 10 of Schedule X, Part III. Also, include this amount on line 7 of Form N-15. On the corresponding dotted line write "DCB".....	_____

Line 15

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 16.

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 2005 for the person listed in column (a). Do not include in column (d) qualified expenses:

- You incurred in 2005 but did not pay until 2006. You may be able to use these expenses to increase your 2006 credit.
- You incurred in 2004 but did not pay until 2005. Instead, see the instructions for line 22 on page 36.
- You prepaid in 2005 for care to be provided in 2006. These expenses may only be used to figure your 2006 credit.

Lines 17 and 18

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 2005 or are treated as being unmarried at the end of the year, enter your earned income on line 17.

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 17 and your spouse's earned income on line 18.

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 2005). 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 2005.

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 22

Amount of the Credit

If you had qualified expenses for 2004 that you did not pay until 2005, you may be able to increase the amount of credit you can take in 2005. To do this, multiply the 2004 expenses you paid in 2005 by the applicable percentage from the table on line 21 that applies to your 2004 adjusted gross income. Your 2004 expenses must be within the 2004 limits. Attach a computation showing how you figured the increase. If you can take a credit for your 2004 expenses, write "PYE" and the amount of the credit on the dotted line next to line 22. Enter the total amount of the credit on line 22. 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 57) from your 2004 return. If you are a nonresident, do not enter more than the amount on your 2004 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 2004 Itemized Deduction Worksheet PY-2, line 14. ..... _____
2. Enter from your 2004 Form N-15 the following:

a. Low-income refundable 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. Residential construction and remodeling tax credit (Schedule CR, line 11) ..... _____

3. Add lines 2a through 2e ..... _____
4. Line 1 minus line 3. If zero or less, stop here; otherwise continue on to line 5 ..... _____
5. Enter amount from your 2004 Form N-15, line 39g ..... _____
6. Enter the amount shown below for the filing status you claimed on your 2004 Form N-15 ..... _____

Single—	$1,500
Married filing jointly or qualifying widow(er)—	1,900
Married filing separately—	950
Head of household—	1,650

7. Enter the ratio of your Hawaii AGI to Total AGI (line 38) from your 2004 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, N-12, or N-13 was filed in 2004, 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. Enter your short-term capital loss carryover from 2004 .... (_____)
6. **Net short-term gain/(loss).** Combine lines 1 through 5 .. _____
7. Enter the net gain or (loss) from sales of capital assets held for more than one year ..... _____
8. Enter the capital gain distributions reported to you on Form 1099-DIV ..... _____
9. Enter the long-term capital gain or (loss) reported to you on any Schedule(s) K-1 ..... _____
10. Enter the long-term capital gain or (loss) not included on lines 7 to 9, such as from federal Forms 2439, 4684, 6252, 6781, and 8824; and Hawaii Schedule D-1 .. _____
11. Long-term gain from stock acquired through stock options from qualified high technology businesses ..... (_____)
12. Enter your long-term capital loss carryover from 2004 ..... (_____)
13. **Net long-term gain/(loss).** Combine lines 7 through 12 . _____
14. **Net capital gain/(loss).** Combine lines 6 and 13 ..... _____

If both lines 13 and 14 are gains, enter the amount from line 14 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 40 if your taxable income is over $40,000 ($20,000 for Single, and Married Filing Separately; or $30,000 for Head of Household classifications). Enter the amounts from lines 13 and 14 on the *Tax on Capital Gains Worksheet*, lines 4 and 7, respectively, on page 40.

If line 14 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.

15. Enter ($3,000), or, if married filing separately, ($1,500) ... _____
16. Compare lines 14 and 15, and write the smaller loss here. Enter this amount on Form N-15, line 13, Column B ..... _____

Use the worksheet below to figure the amount of capital loss you can carry over to next year.

Capital Loss Carryovers to 2006

17. Enter the amount from Form N-15, line 41. If the amount is negative, write it as a (loss) ..... _____
18. Enter the amount on line 16 as a positive number ..... _____
19. Combine lines 17 and 18. If this amount is zero or less, enter -0- ..... _____
20. Enter the smaller of line 18 or line 19 ..... _____
21. If you have a net short-term loss on line 6, enter that amount as a positive number here. Otherwise, enter -0- here and go to line 26 ..... _____
22. If you have a net long-term gain on line 13, enter that number here. Otherwise, enter -0- here ..... _____
23. Enter the amount from line 20 ..... _____
24. Add lines 22 and 23 ..... _____
25. Line 21 minus line 24. If zero or less, enter -0-. This is your **short-term capital loss carryover to 2006** ..... _____
26. If you have a net long-term loss on line 13, enter that amount as a positive number here. Otherwise, **stop here** _____
27. If you have a net short-term gain on line 6, enter that number here. Otherwise, enter -0- here ..... _____
28. Line 20 minus line 21. If zero or less, enter -0- ..... _____
29. Add lines 27 and 28 ..... _____
30. Line 26 minus line 29. If zero or less, enter -0-. This is your **long-term capital loss carryover to 2006** ..... _____

Worksheets (continued)

Itemized Deductions Worksheet - For Nonresidents

1. Enter the amount from Form N-15, line 36, Column B (Hawaii adjusted gross income) ..... _____
2. Enter the amount from Form N-15, line 36, Column A (adjusted gross income from all sources) ..... _____
3. Line 1 divided by line 2 ..... _____

WORKSHEET NR-1– Medical and Dental Expenses

4. Enter amount of medical and dental expenses (see page 20 of Instructions) ..... _____
5. Multiply line 3 by line 4 ..... _____
6. Multiply line 1 by 7.5% (.075) ..... _____
7. Line 5 minus line 6. If zero or less, enter zero. Enter the result here and on Form N-15, line 38a ..... _____

WORKSHEET NR-2 – Taxes You Paid

8. State and local **(check only one box):**
   a ☐ Hawaii income taxes, or
   b ☐ General sales taxes (Enter amount of general sales taxes multiplied by line 3.) ..... _____
9. Real estate taxes paid on property located in Hawaii ..... _____
10. Other taxes. (List) ..... _____
11. Add lines 8 through 10. Enter the total here and on Form N-15, line 38b ..... _____

WORKSHEET NR-3 – Interest You Paid

Caution: *Enter only home mortgage interest secured by a property located in Hawaii and points paid thereon.*

12. Home mortgage interest and points reported to you on federal Form 1098 ..... _____
13. Home mortgage interest not reported to you on federal Form 1098 ..... _____
14. Points not reported to you on Form 1098 (see federal instructions to Form 1040, Schedule A, line 12 for special rules) ..... _____
15. Investment interest from property having situs in Hawaii (attach Form N-158) ..... _____
16. Add lines 12 through 15. Enter the total here and on Form N-15, line 38c ..... _____

WORKSHEET NR-4—Gifts to Charity

17. Enter amount of gifts by cash or check (if any gift of $250 or more, see page 23 of Instructions) ..... _____
18. Other than by cash or check (if any gift of $250 or more, see page 23 of Instructions) (attach required statement if over $500) ..... _____
19. Carryover from prior year ..... _____
20. Add lines 17 through 19 ..... _____
21. Multiply line 3 by line 20. Enter total here and on Form N-15, line 38d ..... _____

WORKSHEET NR-5—Casualties and Thefts

22. Total casualty and theft loss(es) from Form 4684, line 16 *(not the same as Schedule A, line 19)* on property located in Hawaii ..... _____
23. Multiply line 1 by 10% (0.10) ..... _____
24. Line 22 minus line 23. If this line is zero or less, **stop here.** Otherwise, enter this amount on Form N-15, line 38e ..... _____

WORKSHEET NR-6—Miscellaneous Deductions

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) ..... _____
26. Other miscellaneous deductions directly associated with activities or properties producing income which is taxable to Hawaii (see page 24 of Instructions) ..... _____
27. Other miscellaneous deductions that cannot be linked to a specific activity or property ..... _____
28. Multiply line 3 by line 27 ..... _____
29. Add lines 25, 26, and 28 ..... _____
30. Multiply line 1 by 2% (0.02) ..... _____
31. Line 29 minus line 30. Enter the result, but not less than zero ..... _____
32. Other deductions not subject to 2% AGI limit (see instructions on page 24) which are directly associated with activities or properties producing income which is taxable to Hawaii ..... _____
33. Other deductions not subject to 2% AGI limit that cannot be linked to a specific activity or property ..... _____
34. Multiply line 3 by line 33 ..... _____
35. Add lines 31, 32, and 34. Enter total here and on Form N-15, line 38f ..... _____

Worksheets (continued)

Itemized Deductions Worksheet - For Part-Year Residents

1. Enter the amount from Form N-15, line 36, Column B (Hawaii adjusted gross income) ____
2. Enter the amount from Form N-15, line 36, Column A (adjusted gross income from all sources) ____
3. Line 1 divided by line 2 ____

WORKSHEET PY-1– Medical and Dental Expenses

4. Enter amount of medical and dental expenses (see page 20 of Instructions) ____
5. Multiply line 3 by line 4 ____
6. Multiply line 1 by 7.5% (.075) ____
7. Line 5 minus line 6. If zero or less, enter zero. Enter the result here and on Form N-15, line 38a ____

WORKSHEET PY-2 – Taxes You Paid

8. State and local **(check only one box):**
   a ☐ Income taxes, or
   b ☐ General sales taxes ____
9. Real estate taxes ____
10. Personal property taxes ____
11. Other taxes ____
12. Add lines 8 through 11 ____
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 ____
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 ____
15. Add lines 13 and 14 ____
16. Line 12 minus line 15 ____
17. Multiply line 3 by line 16 ____
18. Add lines 14 and 17. Enter the total here and on Form N-15, line 38b ____

WORKSHEET PY-3 – Interest You Paid

19. Home mortgage interest and points reported to you on federal Form 1098 ____
20. Home mortgage interest not reported to you on federal Form 1098 ____
21. Points not reported to you on Form 1098 (see federal instructions to Form 1040, Schedule A, line 12 for special rules) ____
22. Investment interest (attach Form N-158) ____
23. Add lines 19 through 22 ____
24. Home mortgage interest, points, and investment interest paid on property located out-of-state while nonresident ____
25. Home mortgage interest, points, and investment interest paid on property located in Hawaii OR paid on property located out-of-state while resident in Hawaii ____
26. Add lines 24 and 25 ____
27. Line 23 minus line 26 ____
28. Multiply line 3 by line 27 ____
29. Add lines 25 and 28. Enter the total here and on Form N-15, line 38c ____

WORKSHEET PY-4—Gifts to Charity

30. Enter amount of gifts by cash or check (if any gift of $250 or more, see page 23 of Instructions) ____
31. Other than by cash or check (if any gift of $250 or more, see page 23 of Instructions) (attach required statement if over $500) ____
32. Carryover from prior year ____
33. Add lines 30 through 32 ____
34. Multiply line 3 by line 33. Enter total here and on Form N-15, line 38d ____

WORKSHEET PY-5—Casualties and Thefts

35. Total casualty and theft loss(es) from Form 4684, line 16 *(not the same as Schedule A, line 19)* ____
36. Casualty and theft losses on property located out-of-state while nonresident ____
37. Casualty and theft losses on property located in Hawaii OR on property located out-of-state while resident in Hawaii ____
38. Add lines 36 and 37 ____
39. Line 35 minus line 38 ____
40. Multiply line 3 by line 39 ____
41. Add lines 37 and 40 ____
42. Multiply line 1 by 10% (0.10) ____
43. Line 41 minus line 42. If this line is zero or less, **stop here.** Otherwise, enter this amount on Form N-15, line 38e ____

WORKSHEET PY-6—Miscellaneous Deductions

44. Unreimbursed employee business expenses—job travel, union dues, job education (attach federal Form 2106 or Form 2106-EZ if required) ____
45. Tax preparation fees ____
46. Other expenses (investment, safe deposit box, etc.) (list type and amount, and attach the list to your return) ____
47. Add lines 44 to 46 ____
48. Miscellaneous deductions directly associated with activities or properties producing income which is not taxable to Hawaii ____
49. Miscellaneous deductions directly associated with activities or properties producing income which is taxable to Hawaii (see page 24 of Instructions) ____
50. Add lines 48 and 49 ____
51. Line 47 minus line 50 ____
52. Multiply line 3 by line 51 ____
53. Add lines 49 and 52 ____
54. Multiply line 1 by 2% (0.02) ____
55. Line 53 minus line 54. Enter the result, but not less than zero ____
56. Other deductions not subject to 2% AGI limit (see instructions on page 24) (list type and amount, and attach the list to your return) ____
57. Political contributions ____
58. Add lines 56 and 57 ____
59. Deductions directly associated with activities or properties producing income which is not taxable to Hawaii ____
60. Deductions directly associated with activities or properties producing income which is taxable to Hawaii (see page 24 of Instructions) ____
61. Add lines 59 and 60 ____
62. Line 58 minus line 61 ____
63. Multiply line 3 by line 62 ____
64. Add lines 55, 60, and 63. Enter total here and on Form N-15, line 38f ____

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, any gambling losses included on line 38f, 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. **Compare** the amounts on lines 4 and 8 above. Enter the SMALLER of the two amounts here ... _____
10. **Total itemized deductions.** Line 1 minus line 9. 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 $40,000 ($20,000 for Single, and Married Filing Separately; or $30,000 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— $20,000
    Married filing jointly or qualifying widow(er)— 40,000
    Head of household— 30,000
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

a Enter the tax amounts calculated from the Tax Table, Tax Rate Schedule, Tax on Capital Gains Worksheet, Form N-168 or Form N-615 ... _____

b Enter any additional tax from Form N-2, Distribution from an Individual Housing Account. See *Individual Housing Accounts* on page 16 ... _____

c Enter any additional tax from Form N-103, Sale of Your Home ... _____

d Enter any additional tax from Form N-152, Tax on Lump-Sum Distributions ... _____

e Enter any additional tax from Form N-312, Recapture of Capital Goods Excise Tax Credit ... _____

f Enter any additional tax from Form N-318, Recapture of High Technology Business Investment Tax Credit ... _____

g Enter any additional tax from Form N-405, Tax on Accumulation Distribution of Trusts ... _____

h Enter any additional tax from Form N-586, Recapture of Low-Income Housing Tax Credit ... _____

i Enter any additional tax from Form N-814, Parent's Election to Report Child's Interest and Dividends ... _____

j Add lines **a** through **i**. 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 **i**, fill in the oval before the words "Include separate tax..." 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** 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 ... _____

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	$10,000	$10,000	
2. Did you receive **employer-provided adoption benefits** for a prior year? **No.** Enter -0-. **Yes.** See the federal instructions for the amount to enter.			
3. Subtract line 2 from line 1			
4. **Employer-provided adoption benefits** you received in 2005. This amount should be shown in box 12 of your 2005 W-2 form(s) with code **T**			
5. Add the amounts on line 4			
6. Enter the **smaller** of line 3 or line 4. But if the child was a child with special needs and the adoption became final in 2005, 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? **No.** Skip lines 9-10 and enter -0- on line 11. **Yes.** 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. **Excluded benefits.** Subtract line 11 from line 7			
13. **Taxable benefits.** Is line 12 more than line 5? **No.** 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". **Yes.** 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 2005 on qualified student loans. **Do not** enter more than $2,500.	
2. Enter your Hawaii modified adjusted gross income**.	
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 line 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	

****Hawaii modified adjusted gross income** is your Hawaii adjusted gross income determined without regard to the amount of the student loan interest deduction.

2005 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 $23,270. 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 $1,090. 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	1,377	1,090	1,211
23,300	23,350	1,381	1,093	1,214
23,350	23,400	1,385	1,096	1,218

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
		Your tax is —		
0	50	0	0	0
50	100	1	1	1
100	150	2	2	2
150	200	2	2	2
200	250	3	3	3
250	300	4	4	4
300	350	5	5	5
350	400	5	5	5
400	450	6	6	6
450	500	7	7	7
500	550	7	7	7
550	600	8	8	8
600	650	9	9	9
650	700	9	9	9
700	750	10	10	10
750	800	11	11	11
800	850	12	12	12
850	900	12	12	12
900	950	13	13	13
950	1,000	14	14	14
1,000				
1,000	1,050	14	14	14
1,050	1,100	15	15	15
1,100	1,150	16	16	16
1,150	1,200	16	16	16
1,200	1,250	17	17	17
1,250	1,300	18	18	18
1,300	1,350	19	19	19
1,350	1,400	19	19	19
1,400	1,450	20	20	20
1,450	1,500	21	21	21
1,500	1,550	21	21	21
1,550	1,600	22	22	22
1,600	1,650	23	23	23
1,650	1,700	23	23	23
1,700	1,750	24	24	24
1,750	1,800	25	25	25
1,800	1,850	26	26	26
1,850	1,900	26	26	26
1,900	1,950	27	27	27
1,950	2,000	28	28	28
2,000				
2,000	2,050	29	28	28
2,050	2,100	30	29	29
2,100	2,150	32	30	30
2,150	2,200	34	30	30
2,200	2,250	35	31	31
2,250	2,300	37	32	32
2,300	2,350	38	33	33
2,350	2,400	40	33	33
2,400	2,450	42	34	34
2,450	2,500	43	35	35

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
		Your tax is —		
2,500	2,550	45	35	35
2,550	2,600	46	36	36
2,600	2,650	48	37	37
2,650	2,700	50	37	37
2,700	2,750	51	38	38
2,750	2,800	53	39	39
2,800	2,850	54	40	40
2,850	2,900	56	40	40
2,900	2,950	58	41	41
2,950	3,000	59	42	42
3,000				
3,000	3,050	61	42	43
3,050	3,100	62	43	44
3,100	3,150	64	44	46
3,150	3,200	66	44	48
3,200	3,250	67	45	49
3,250	3,300	69	46	51
3,300	3,350	70	47	52
3,350	3,400	72	47	54
3,400	3,450	74	48	56
3,450	3,500	75	49	57
3,500	3,550	77	49	59
3,550	3,600	78	50	60
3,600	3,650	80	51	62
3,650	3,700	82	51	64
3,700	3,750	83	52	65
3,750	3,800	85	53	67
3,800	3,850	86	54	68
3,850	3,900	88	54	70
3,900	3,950	90	55	72
3,950	4,000	91	56	73
4,000				
4,000	4,050	93	57	75
4,050	4,100	96	58	76
4,100	4,150	99	60	78
4,150	4,200	102	62	80
4,200	4,250	104	63	81
4,250	4,300	107	65	83
4,300	4,350	110	66	84
4,350	4,400	113	68	86
4,400	4,450	115	70	88
4,450	4,500	118	71	89
4,500	4,550	121	73	91
4,550	4,600	124	74	92
4,600	4,650	126	76	94
4,650	4,700	129	78	96
4,700	4,750	132	79	97
4,750	4,800	135	81	99
4,800	4,850	137	82	100
4,850	4,900	140	84	102
4,900	4,950	143	86	104
4,950	5,000	146	87	105

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
		Your tax is —		
5,000				
5,000	5,050	148	89	107
5,050	5,100	151	90	108
5,100	5,150	154	92	110
5,150	5,200	157	94	112
5,200	5,250	159	95	113
5,250	5,300	162	97	115
5,300	5,350	165	98	116
5,350	5,400	168	100	118
5,400	5,450	170	102	120
5,450	5,500	173	103	121
5,500	5,550	176	105	123
5,550	5,600	179	106	124
5,600	5,650	181	108	126
5,650	5,700	184	110	128
5,700	5,750	187	111	129
5,750	5,800	190	113	131
5,800	5,850	192	114	132
5,850	5,900	195	116	134
5,900	5,950	198	118	136
5,950	6,000	201	119	137
6,000				
6,000	6,050	203	121	139
6,050	6,100	206	122	142
6,100	6,150	209	124	145
6,150	6,200	212	126	148
6,200	6,250	214	127	150
6,250	6,300	217	129	153
6,300	6,350	220	130	156
6,350	6,400	223	132	159
6,400	6,450	225	134	161
6,450	6,500	228	135	164
6,500	6,550	231	137	167
6,550	6,600	234	138	170
6,600	6,650	236	140	172
6,650	6,700	239	142	175
6,700	6,750	242	143	178
6,750	6,800	245	145	181
6,800	6,850	247	146	183
6,850	6,900	250	148	186
6,900	6,950	253	150	189
6,950	7,000	256	151	192

*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 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 —		
7,000					**10,000**					**13,000**				
7,000	**7,050**	258	153	194	**10,000**	**10,050**	442	295	359	**13,000**	**13,050**	638	460	534
7,050	**7,100**	261	154	197	**10,050**	**10,100**	445	298	362	**13,050**	**13,100**	641	463	537
7,100	**7,150**	264	156	200	**10,100**	**10,150**	448	301	365	**13,100**	**13,150**	645	466	540
7,150	**7,200**	267	158	203	**10,150**	**10,200**	451	304	368	**13,150**	**13,200**	648	469	543
7,200	**7,250**	269	159	205	**10,200**	**10,250**	454	306	370	**13,200**	**13,250**	651	471	546
7,250	**7,300**	272	161	208	**10,250**	**10,300**	458	309	373	**13,250**	**13,300**	655	474	550
7,300	**7,350**	275	162	211	**10,300**	**10,350**	461	312	376	**13,300**	**13,350**	658	477	553
7,350	**7,400**	278	164	214	**10,350**	**10,400**	464	315	379	**13,350**	**13,400**	662	480	556
7,400	**7,450**	280	166	216	**10,400**	**10,450**	467	317	381	**13,400**	**13,450**	665	482	559
7,450	**7,500**	283	167	219	**10,450**	**10,500**	470	320	384	**13,450**	**13,500**	668	485	562
7,500	**7,550**	286	169	222	**10,500**	**10,550**	474	323	387	**13,500**	**13,550**	672	488	566
7,550	**7,600**	289	170	225	**10,550**	**10,600**	477	326	390	**13,550**	**13,600**	675	491	569
7,600	**7,650**	291	172	227	**10,600**	**10,650**	480	328	392	**13,600**	**13,650**	679	493	572
7,650	**7,700**	294	174	230	**10,650**	**10,700**	483	331	395	**13,650**	**13,700**	682	496	575
7,700	**7,750**	297	175	233	**10,700**	**10,750**	486	334	398	**13,700**	**13,750**	685	499	578
7,750	**7,800**	300	177	236	**10,750**	**10,800**	490	337	401	**13,750**	**13,800**	689	502	582
7,800	**7,850**	302	178	238	**10,800**	**10,850**	493	339	403	**13,800**	**13,850**	692	504	585
7,850	**7,900**	305	180	241	**10,850**	**10,900**	496	342	406	**13,850**	**13,900**	696	507	588
7,900	**7,950**	308	182	244	**10,900**	**10,950**	499	345	409	**13,900**	**13,950**	699	510	591
7,950	**8,000**	311	183	247	**10,950**	**11,000**	502	348	412	**13,950**	**14,000**	702	513	594
8,000					**11,000**					**14,000**				
8,000	**8,050**	314	185	249	**11,000**	**11,050**	506	350	414	**14,000**	**14,050**	706	515	598
8,050	**8,100**	317	188	252	**11,050**	**11,100**	509	353	417	**14,050**	**14,100**	709	518	601
8,100	**8,150**	320	191	255	**11,100**	**11,150**	512	356	420	**14,100**	**14,150**	713	521	604
8,150	**8,200**	323	194	258	**11,150**	**11,200**	515	359	423	**14,150**	**14,200**	716	524	607
8,200	**8,250**	326	196	260	**11,200**	**11,250**	518	361	425	**14,200**	**14,250**	719	526	610
8,250	**8,300**	330	199	263	**11,250**	**11,300**	522	364	428	**14,250**	**14,300**	723	529	614
8,300	**8,350**	333	202	266	**11,300**	**11,350**	525	367	431	**14,300**	**14,350**	726	532	617
8,350	**8,400**	336	205	269	**11,350**	**11,400**	528	370	434	**14,350**	**14,400**	730	535	620
8,400	**8,450**	339	207	271	**11,400**	**11,450**	531	372	436	**14,400**	**14,450**	733	537	623
8,450	**8,500**	342	210	274	**11,450**	**11,500**	534	375	439	**14,450**	**14,500**	736	540	626
8,500	**8,550**	346	213	277	**11,500**	**11,550**	538	378	442	**14,500**	**14,550**	740	543	630
8,550	**8,600**	349	216	280	**11,550**	**11,600**	541	381	445	**14,550**	**14,600**	743	546	633
8,600	**8,650**	352	218	282	**11,600**	**11,650**	544	383	447	**14,600**	**14,650**	747	548	636
8,650	**8,700**	355	221	285	**11,650**	**11,700**	547	386	450	**14,650**	**14,700**	750	551	639
8,700	**8,750**	358	224	288	**11,700**	**11,750**	550	389	453	**14,700**	**14,750**	753	554	642
8,750	**8,800**	362	227	291	**11,750**	**11,800**	554	392	456	**14,750**	**14,800**	757	557	646
8,800	**8,850**	365	229	293	**11,800**	**11,850**	557	394	458	**14,800**	**14,850**	760	559	649
8,850	**8,900**	368	232	296	**11,850**	**11,900**	560	397	461	**14,850**	**14,900**	764	562	652
8,900	**8,950**	371	235	299	**11,900**	**11,950**	563	400	464	**14,900**	**14,950**	767	565	655
8,950	**9,000**	374	238	302	**11,950**	**12,000**	566	403	467	**14,950**	**15,000**	770	568	658
9,000					**12,000**					**15,000**				
9,000	**9,050**	378	240	304	**12,000**	**12,050**	570	405	470	**15,000**	**15,050**	774	570	662
9,050	**9,100**	381	243	307	**12,050**	**12,100**	573	408	473	**15,050**	**15,100**	777	573	665
9,100	**9,150**	384	246	310	**12,100**	**12,150**	577	411	476	**15,100**	**15,150**	781	576	668
9,150	**9,200**	387	249	313	**12,150**	**12,200**	580	414	479	**15,150**	**15,200**	784	579	671
9,200	**9,250**	390	251	315	**12,200**	**12,250**	583	416	482	**15,200**	**15,250**	787	581	674
9,250	**9,300**	394	254	318	**12,250**	**12,300**	587	419	486	**15,250**	**15,300**	791	584	678
9,300	**9,350**	397	257	321	**12,300**	**12,350**	590	422	489	**15,300**	**15,350**	794	587	681
9,350	**9,400**	400	260	324	**12,350**	**12,400**	594	425	492	**15,350**	**15,400**	798	590	684
9,400	**9,450**	403	262	326	**12,400**	**12,450**	597	427	495	**15,400**	**15,450**	801	592	687
9,450	**9,500**	406	265	329	**12,450**	**12,500**	600	430	498	**15,450**	**15,500**	804	595	690
9,500	**9,550**	410	268	332	**12,500**	**12,550**	604	433	502	**15,500**	**15,550**	808	598	694
9,550	**9,600**	413	271	335	**12,550**	**12,600**	607	436	505	**15,550**	**15,600**	811	601	697
9,600	**9,650**	416	273	337	**12,600**	**12,650**	611	438	508	**15,600**	**15,650**	815	603	700
9,650	**9,700**	419	276	340	**12,650**	**12,700**	614	441	511	**15,650**	**15,700**	818	606	703
9,700	**9,750**	422	279	343	**12,700**	**12,750**	617	444	514	**15,700**	**15,750**	821	609	706
9,750	**9,800**	426	282	346	**12,750**	**12,800**	621	447	518	**15,750**	**15,800**	825	612	710
9,800	**9,850**	429	284	348	**12,800**	**12,850**	624	449	521	**15,800**	**15,850**	828	614	713
9,850	**9,900**	432	287	351	**12,850**	**12,900**	628	452	524	**15,850**	**15,900**	832	617	716
9,900	**9,950**	435	290	354	**12,900**	**12,950**	631	455	527	**15,900**	**15,950**	835	620	719
9,950	**10,000**	438	293	357	**12,950**	**13,000**	634	458	530	**15,950**	**16,000**	838	623	722

*This column must also be used by qualifying widow(er)

Continued on next page

2005 Hawaii Tax Table (Continued)

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
16,000				
16,000	**16,050**	842	626	726
16,050	**16,100**	845	629	729
16,100	**16,150**	849	632	732
16,150	**16,200**	853	635	735
16,200	**16,250**	856	638	738
16,250	**16,300**	860	642	742
16,300	**16,350**	863	645	745
16,350	**16,400**	867	648	748
16,400	**16,450**	871	651	751
16,450	**16,500**	874	654	754
16,500	**16,550**	878	658	758
16,550	**16,600**	881	661	761
16,600	**16,650**	885	664	764
16,650	**16,700**	889	667	767
16,700	**16,750**	892	670	770
16,750	**16,800**	896	674	774
16,800	**16,850**	899	677	777
16,850	**16,900**	903	680	780
16,900	**16,950**	907	683	783
16,950	**17,000**	910	686	786
17,000				
17,000	**17,050**	914	690	790
17,050	**17,100**	917	693	793
17,100	**17,150**	921	696	796
17,150	**17,200**	925	699	799
17,200	**17,250**	928	702	802
17,250	**17,300**	932	706	806
17,300	**17,350**	935	709	809
17,350	**17,400**	939	712	812
17,400	**17,450**	943	715	815
17,450	**17,500**	946	718	818
17,500	**17,550**	950	722	822
17,550	**17,600**	953	725	825
17,600	**17,650**	957	728	828
17,650	**17,700**	961	731	831
17,700	**17,750**	964	734	834
17,750	**17,800**	968	738	838
17,800	**17,850**	971	741	841
17,850	**17,900**	975	744	844
17,900	**17,950**	979	747	847
17,950	**18,000**	982	750	850
18,000				
18,000	**18,050**	986	754	854
18,050	**18,100**	989	757	857
18,100	**18,150**	993	760	861
18,150	**18,200**	997	763	864
18,200	**18,250**	1,000	766	867
18,250	**18,300**	1,004	770	871
18,300	**18,350**	1,007	773	874
18,350	**18,400**	1,011	776	878
18,400	**18,450**	1,015	779	881
18,450	**18,500**	1,018	782	884
18,500	**18,550**	1,022	786	888
18,550	**18,600**	1,025	789	891
18,600	**18,650**	1,029	792	895
18,650	**18,700**	1,033	795	898
18,700	**18,750**	1,036	798	901
18,750	**18,800**	1,040	802	905
18,800	**18,850**	1,043	805	908
18,850	**18,900**	1,047	808	912
18,900	**18,950**	1,051	811	915
18,950	**19,000**	1,054	814	918

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
19,000				
19,000	**19,050**	1,058	818	922
19,050	**19,100**	1,061	821	925
19,100	**19,150**	1,065	824	929
19,150	**19,200**	1,069	827	932
19,200	**19,250**	1,072	830	935
19,250	**19,300**	1,076	834	939
19,300	**19,350**	1,079	837	942
19,350	**19,400**	1,083	840	946
19,400	**19,450**	1,087	843	949
19,450	**19,500**	1,090	846	952
19,500	**19,550**	1,094	850	956
19,550	**19,600**	1,097	853	959
19,600	**19,650**	1,101	856	963
19,650	**19,700**	1,105	859	966
19,700	**19,750**	1,108	862	969
19,750	**19,800**	1,112	866	973
19,800	**19,850**	1,115	869	976
19,850	**19,900**	1,119	872	980
19,900	**19,950**	1,123	875	983
19,950	**20,000**	1,126	878	986
20,000				
20,000	**20,050**	1,130	882	990
20,050	**20,100**	1,134	885	993
20,100	**20,150**	1,138	888	997
20,150	**20,200**	1,141	891	1,000
20,200	**20,250**	1,145	894	1,003
20,250	**20,300**	1,149	898	1,007
20,300	**20,350**	1,153	901	1,010
20,350	**20,400**	1,157	904	1,014
20,400	**20,450**	1,160	907	1,017
20,450	**20,500**	1,164	910	1,020
20,500	**20,550**	1,168	914	1,024
20,550	**20,600**	1,172	917	1,027
20,600	**20,650**	1,176	920	1,031
20,650	**20,700**	1,179	923	1,034
20,700	**20,750**	1,183	926	1,037
20,750	**20,800**	1,187	930	1,041
20,800	**20,850**	1,191	933	1,044
20,850	**20,900**	1,195	936	1,048
20,900	**20,950**	1,198	939	1,051
20,950	**21,000**	1,202	942	1,054
21,000				
21,000	**21,050**	1,206	946	1,058
21,050	**21,100**	1,210	949	1,061
21,100	**21,150**	1,214	952	1,065
21,150	**21,200**	1,217	955	1,068
21,200	**21,250**	1,221	958	1,071
21,250	**21,300**	1,225	962	1,075
21,300	**21,350**	1,229	965	1,078
21,350	**21,400**	1,233	968	1,082
21,400	**21,450**	1,236	971	1,085
21,450	**21,500**	1,240	974	1,088
21,500	**21,550**	1,244	978	1,092
21,550	**21,600**	1,248	981	1,095
21,600	**21,650**	1,252	984	1,099
21,650	**21,700**	1,255	987	1,102
21,700	**21,750**	1,259	990	1,105
21,750	**21,800**	1,263	994	1,109
21,800	**21,850**	1,267	997	1,112
21,850	**21,900**	1,271	1,000	1,116
21,900	**21,950**	1,274	1,003	1,119
21,950	**22,000**	1,278	1,006	1,122

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
22,000				
22,000	**22,050**	1,282	1,010	1,126
22,050	**22,100**	1,286	1,013	1,129
22,100	**22,150**	1,290	1,016	1,133
22,150	**22,200**	1,293	1,019	1,136
22,200	**22,250**	1,297	1,022	1,139
22,250	**22,300**	1,301	1,026	1,143
22,300	**22,350**	1,305	1,029	1,146
22,350	**22,400**	1,309	1,032	1,150
22,400	**22,450**	1,312	1,035	1,153
22,450	**22,500**	1,316	1,038	1,156
22,500	**22,550**	1,320	1,042	1,160
22,550	**22,600**	1,324	1,045	1,163
22,600	**22,650**	1,328	1,048	1,167
22,650	**22,700**	1,331	1,051	1,170
22,700	**22,750**	1,335	1,054	1,173
22,750	**22,800**	1,339	1,058	1,177
22,800	**22,850**	1,343	1,061	1,180
22,850	**22,900**	1,347	1,064	1,184
22,900	**22,950**	1,350	1,067	1,187
22,950	**23,000**	1,354	1,070	1,190
23,000				
23,000	**23,050**	1,358	1,074	1,194
23,050	**23,100**	1,362	1,077	1,197
23,100	**23,150**	1,366	1,080	1,201
23,150	**23,200**	1,369	1,083	1,204
23,200	**23,250**	1,373	1,086	1,207
23,250	**23,300**	1,377	1,090	1,211
23,300	**23,350**	1,381	1,093	1,214
23,350	**23,400**	1,385	1,096	1,218
23,400	**23,450**	1,388	1,099	1,221
23,450	**23,500**	1,392	1,102	1,224
23,500	**23,550**	1,396	1,106	1,228
23,550	**23,600**	1,400	1,109	1,231
23,600	**23,650**	1,404	1,112	1,235
23,650	**23,700**	1,407	1,115	1,238
23,700	**23,750**	1,411	1,118	1,241
23,750	**23,800**	1,415	1,122	1,245
23,800	**23,850**	1,419	1,125	1,248
23,850	**23,900**	1,423	1,128	1,252
23,900	**23,950**	1,426	1,131	1,255
23,950	**24,000**	1,430	1,134	1,258
24,000				
24,000	**24,050**	1,434	1,138	1,262
24,050	**24,100**	1,438	1,141	1,265
24,100	**24,150**	1,442	1,145	1,269
24,150	**24,200**	1,445	1,148	1,273
24,200	**24,250**	1,449	1,151	1,276
24,250	**24,300**	1,453	1,155	1,280
24,300	**24,350**	1,457	1,158	1,283
24,350	**24,400**	1,461	1,162	1,287
24,400	**24,450**	1,464	1,165	1,291
24,450	**24,500**	1,468	1,168	1,294
24,500	**24,550**	1,472	1,172	1,298
24,550	**24,600**	1,476	1,175	1,301
24,600	**24,650**	1,480	1,179	1,305
24,650	**24,700**	1,483	1,182	1,309
24,700	**24,750**	1,487	1,185	1,312
24,750	**24,800**	1,491	1,189	1,316
24,800	**24,850**	1,495	1,192	1,319
24,850	**24,900**	1,499	1,196	1,323
24,900	**24,950**	1,502	1,199	1,327
24,950	**25,000**	1,506	1,202	1,330

*This column must also be used by qualifying widow(er)

Continued on next page

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
25,000				
25,000	**25,050**	1,510	1,206	1,334
25,050	**25,100**	1,514	1,209	1,337
25,100	**25,150**	1,518	1,213	1,341
25,150	**25,200**	1,521	1,216	1,345
25,200	**25,250**	1,525	1,219	1,348
25,250	**25,300**	1,529	1,223	1,352
25,300	**25,350**	1,533	1,226	1,355
25,350	**25,400**	1,537	1,230	1,359
25,400	**25,450**	1,540	1,233	1,363
25,450	**25,500**	1,544	1,236	1,366
25,500	**25,550**	1,548	1,240	1,370
25,550	**25,600**	1,552	1,243	1,373
25,600	**25,650**	1,556	1,247	1,377
25,650	**25,700**	1,559	1,250	1,381
25,700	**25,750**	1,563	1,253	1,384
25,750	**25,800**	1,567	1,257	1,388
25,800	**25,850**	1,571	1,260	1,391
25,850	**25,900**	1,575	1,264	1,395
25,900	**25,950**	1,578	1,267	1,399
25,950	**26,000**	1,582	1,270	1,402
26,000				
26,000	**26,050**	1,586	1,274	1,406
26,050	**26,100**	1,590	1,277	1,409
26,100	**26,150**	1,594	1,281	1,413
26,150	**26,200**	1,597	1,284	1,417
26,200	**26,250**	1,601	1,287	1,420
26,250	**26,300**	1,605	1,291	1,424
26,300	**26,350**	1,609	1,294	1,427
26,350	**26,400**	1,613	1,298	1,431
26,400	**26,450**	1,616	1,301	1,435
26,450	**26,500**	1,620	1,304	1,438
26,500	**26,550**	1,624	1,308	1,442
26,550	**26,600**	1,628	1,311	1,445
26,600	**26,650**	1,632	1,315	1,449
26,650	**26,700**	1,635	1,318	1,453
26,700	**26,750**	1,639	1,321	1,456
26,750	**26,800**	1,643	1,325	1,460
26,800	**26,850**	1,647	1,328	1,463
26,850	**26,900**	1,651	1,332	1,467
26,900	**26,950**	1,654	1,335	1,471
26,950	**27,000**	1,658	1,338	1,474
27,000				
27,000	**27,050**	1,662	1,342	1,478
27,050	**27,100**	1,666	1,345	1,481
27,100	**27,150**	1,670	1,349	1,485
27,150	**27,200**	1,673	1,352	1,489
27,200	**27,250**	1,677	1,355	1,492
27,250	**27,300**	1,681	1,359	1,496
27,300	**27,350**	1,685	1,362	1,499
27,350	**27,400**	1,689	1,366	1,503
27,400	**27,450**	1,692	1,369	1,507
27,450	**27,500**	1,696	1,372	1,510
27,500	**27,550**	1,700	1,376	1,514
27,550	**27,600**	1,704	1,379	1,517
27,600	**27,650**	1,708	1,383	1,521
27,650	**27,700**	1,711	1,386	1,525
27,700	**27,750**	1,715	1,389	1,528
27,750	**27,800**	1,719	1,393	1,532
27,800	**27,850**	1,723	1,396	1,535
27,850	**27,900**	1,727	1,400	1,539
27,900	**27,950**	1,730	1,403	1,543
27,950	**28,000**	1,734	1,406	1,546

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
28,000				
28,000	**28,050**	1,738	1,410	1,550
28,050	**28,100**	1,742	1,413	1,553
28,100	**28,150**	1,746	1,417	1,557
28,150	**28,200**	1,749	1,420	1,561
28,200	**28,250**	1,753	1,423	1,564
28,250	**28,300**	1,757	1,427	1,568
28,300	**28,350**	1,761	1,430	1,571
28,350	**28,400**	1,765	1,434	1,575
28,400	**28,450**	1,768	1,437	1,579
28,450	**28,500**	1,772	1,440	1,582
28,500	**28,550**	1,776	1,444	1,586
28,550	**28,600**	1,780	1,447	1,589
28,600	**28,650**	1,784	1,451	1,593
28,650	**28,700**	1,787	1,454	1,597
28,700	**28,750**	1,791	1,457	1,600
28,750	**28,800**	1,795	1,461	1,604
28,800	**28,850**	1,799	1,464	1,607
28,850	**28,900**	1,803	1,468	1,611
28,900	**28,950**	1,806	1,471	1,615
28,950	**29,000**	1,810	1,474	1,618
29,000				
29,000	**29,050**	1,814	1,478	1,622
29,050	**29,100**	1,818	1,481	1,625
29,100	**29,150**	1,822	1,485	1,629
29,150	**29,200**	1,825	1,488	1,633
29,200	**29,250**	1,829	1,491	1,636
29,250	**29,300**	1,833	1,495	1,640
29,300	**29,350**	1,837	1,498	1,643
29,350	**29,400**	1,841	1,502	1,647
29,400	**29,450**	1,844	1,505	1,651
29,450	**29,500**	1,848	1,508	1,654
29,500	**29,550**	1,852	1,512	1,658
29,550	**29,600**	1,856	1,515	1,661
29,600	**29,650**	1,860	1,519	1,665
29,650	**29,700**	1,863	1,522	1,669
29,700	**29,750**	1,867	1,525	1,672
29,750	**29,800**	1,871	1,529	1,676
29,800	**29,850**	1,875	1,532	1,679
29,850	**29,900**	1,879	1,536	1,683
29,900	**29,950**	1,882	1,539	1,687
29,950	**30,000**	1,886	1,542	1,690
30,000				
30,000	**30,050**	1,890	1,546	1,694
30,050	**30,100**	1,894	1,549	1,698
30,100	**30,150**	1,898	1,553	1,702
30,150	**30,200**	1,902	1,556	1,705
30,200	**30,250**	1,906	1,559	1,709
30,250	**30,300**	1,910	1,563	1,713
30,300	**30,350**	1,914	1,566	1,717
30,350	**30,400**	1,918	1,570	1,721
30,400	**30,450**	1,922	1,573	1,724
30,450	**30,500**	1,926	1,576	1,728
30,500	**30,550**	1,929	1,580	1,732
30,550	**30,600**	1,933	1,583	1,736
30,600	**30,650**	1,937	1,587	1,740
30,650	**30,700**	1,941	1,590	1,743
30,700	**30,750**	1,945	1,593	1,747
30,750	**30,800**	1,949	1,597	1,751
30,800	**30,850**	1,953	1,600	1,755
30,850	**30,900**	1,957	1,604	1,759
30,900	**30,950**	1,961	1,607	1,762
30,950	**31,000**	1,965	1,610	1,766

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
31,000				
31,000	**31,050**	1,969	1,614	1,770
31,050	**31,100**	1,973	1,617	1,774
31,100	**31,150**	1,977	1,621	1,778
31,150	**31,200**	1,981	1,624	1,781
31,200	**31,250**	1,985	1,627	1,785
31,250	**31,300**	1,989	1,631	1,789
31,300	**31,350**	1,993	1,634	1,793
31,350	**31,400**	1,997	1,638	1,797
31,400	**31,450**	2,001	1,641	1,800
31,450	**31,500**	2,005	1,644	1,804
31,500	**31,550**	2,008	1,648	1,808
31,550	**31,600**	2,012	1,651	1,812
31,600	**31,650**	2,016	1,655	1,816
31,650	**31,700**	2,020	1,658	1,819
31,700	**31,750**	2,024	1,661	1,823
31,750	**31,800**	2,028	1,665	1,827
31,800	**31,850**	2,032	1,668	1,831
31,850	**31,900**	2,036	1,672	1,835
31,900	**31,950**	2,040	1,675	1,838
31,950	**32,000**	2,044	1,678	1,842
32,000				
32,000	**32,050**	2,048	1,682	1,846
32,050	**32,100**	2,052	1,685	1,850
32,100	**32,150**	2,056	1,689	1,854
32,150	**32,200**	2,060	1,693	1,857
32,200	**32,250**	2,064	1,696	1,861
32,250	**32,300**	2,068	1,700	1,865
32,300	**32,350**	2,072	1,703	1,869
32,350	**32,400**	2,076	1,707	1,873
32,400	**32,450**	2,080	1,711	1,876
32,450	**32,500**	2,084	1,714	1,880
32,500	**32,550**	2,087	1,718	1,884
32,550	**32,600**	2,091	1,721	1,888
32,600	**32,650**	2,095	1,725	1,892
32,650	**32,700**	2,099	1,729	1,895
32,700	**32,750**	2,103	1,732	1,899
32,750	**32,800**	2,107	1,736	1,903
32,800	**32,850**	2,111	1,739	1,907
32,850	**32,900**	2,115	1,743	1,911
32,900	**32,950**	2,119	1,747	1,914
32,950	**33,000**	2,123	1,750	1,918
33,000				
33,000	**33,050**	2,127	1,754	1,922
33,050	**33,100**	2,131	1,757	1,926
33,100	**33,150**	2,135	1,761	1,930
33,150	**33,200**	2,139	1,765	1,933
33,200	**33,250**	2,143	1,768	1,937
33,250	**33,300**	2,147	1,772	1,941
33,300	**33,350**	2,151	1,775	1,945
33,350	**33,400**	2,155	1,779	1,949
33,400	**33,450**	2,159	1,783	1,952
33,450	**33,500**	2,163	1,786	1,956
33,500	**33,550**	2,166	1,790	1,960
33,550	**33,600**	2,170	1,793	1,964
33,600	**33,650**	2,174	1,797	1,968
33,650	**33,700**	2,178	1,801	1,971
33,700	**33,750**	2,182	1,804	1,975
33,750	**33,800**	2,186	1,808	1,979
33,800	**33,850**	2,190	1,811	1,983
33,850	**33,900**	2,194	1,815	1,987
33,900	**33,950**	2,198	1,819	1,990
33,950	**34,000**	2,202	1,822	1,994

*This column must also be used by qualifying widow(er)

Continued on next page

2005 Hawaii Tax Table (Continued)

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
34,000				
34,000	**34,050**	2,206	1,826	1,998
34,050	**34,100**	2,210	1,829	2,002
34,100	**34,150**	2,214	1,833	2,006
34,150	**34,200**	2,218	1,837	2,009
34,200	**34,250**	2,222	1,840	2,013
34,250	**34,300**	2,226	1,844	2,017
34,300	**34,350**	2,230	1,847	2,021
34,350	**34,400**	2,234	1,851	2,025
34,400	**34,450**	2,238	1,855	2,028
34,450	**34,500**	2,242	1,858	2,032
34,500	**34,550**	2,245	1,862	2,036
34,550	**34,600**	2,249	1,865	2,040
34,600	**34,650**	2,253	1,869	2,044
34,650	**34,700**	2,257	1,873	2,047
34,700	**34,750**	2,261	1,876	2,051
34,750	**34,800**	2,265	1,880	2,055
34,800	**34,850**	2,269	1,883	2,059
34,850	**34,900**	2,273	1,887	2,063
34,900	**34,950**	2,277	1,891	2,066
34,950	**35,000**	2,281	1,894	2,070
35,000				
35,000	**35,050**	2,285	1,898	2,074
35,050	**35,100**	2,289	1,901	2,078
35,100	**35,150**	2,293	1,905	2,082
35,150	**35,200**	2,297	1,909	2,085
35,200	**35,250**	2,301	1,912	2,089
35,250	**35,300**	2,305	1,916	2,093
35,300	**35,350**	2,309	1,919	2,097
35,350	**35,400**	2,313	1,923	2,101
35,400	**35,450**	2,317	1,927	2,104
35,450	**35,500**	2,321	1,930	2,108
35,500	**35,550**	2,324	1,934	2,112
35,550	**35,600**	2,328	1,937	2,116
35,600	**35,650**	2,332	1,941	2,120
35,650	**35,700**	2,336	1,945	2,123
35,700	**35,750**	2,340	1,948	2,127
35,750	**35,800**	2,344	1,952	2,131
35,800	**35,850**	2,348	1,955	2,135
35,850	**35,900**	2,352	1,959	2,139
35,900	**35,950**	2,356	1,963	2,142
35,950	**36,000**	2,360	1,966	2,146
36,000				
36,000	**36,050**	2,364	1,970	2,150
36,050	**36,100**	2,368	1,973	2,154
36,100	**36,150**	2,372	1,977	2,158
36,150	**36,200**	2,376	1,981	2,161
36,200	**36,250**	2,380	1,984	2,165
36,250	**36,300**	2,384	1,988	2,169
36,300	**36,350**	2,388	1,991	2,173
36,350	**36,400**	2,392	1,995	2,177
36,400	**36,450**	2,396	1,999	2,180
36,450	**36,500**	2,400	2,002	2,184
36,500	**36,550**	2,403	2,006	2,188
36,550	**36,600**	2,407	2,009	2,192
36,600	**36,650**	2,411	2,013	2,196
36,650	**36,700**	2,415	2,017	2,199
36,700	**36,750**	2,419	2,020	2,203
36,750	**36,800**	2,423	2,024	2,207
36,800	**36,850**	2,427	2,027	2,211
36,850	**36,900**	2,431	2,031	2,215
36,900	**36,950**	2,435	2,035	2,218
36,950	**37,000**	2,439	2,038	2,222

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
37,000				
37,000	**37,050**	2,443	2,042	2,226
37,050	**37,100**	2,447	2,045	2,230
37,100	**37,150**	2,451	2,049	2,234
37,150	**37,200**	2,455	2,053	2,237
37,200	**37,250**	2,459	2,056	2,241
37,250	**37,300**	2,463	2,060	2,245
37,300	**37,350**	2,467	2,063	2,249
37,350	**37,400**	2,471	2,067	2,253
37,400	**37,450**	2,475	2,071	2,256
37,450	**37,500**	2,479	2,074	2,260
37,500	**37,550**	2,482	2,078	2,264
37,550	**37,600**	2,486	2,081	2,268
37,600	**37,650**	2,490	2,085	2,272
37,650	**37,700**	2,494	2,089	2,275
37,700	**37,750**	2,498	2,092	2,279
37,750	**37,800**	2,502	2,096	2,283
37,800	**37,850**	2,506	2,099	2,287
37,850	**37,900**	2,510	2,103	2,291
37,900	**37,950**	2,514	2,107	2,294
37,950	**38,000**	2,518	2,110	2,298
38,000				
38,000	**38,050**	2,522	2,114	2,302
38,050	**38,100**	2,526	2,117	2,306
38,100	**38,150**	2,530	2,121	2,310
38,150	**38,200**	2,534	2,125	2,313
38,200	**38,250**	2,538	2,128	2,317
38,250	**38,300**	2,542	2,132	2,321
38,300	**38,350**	2,546	2,135	2,325
38,350	**38,400**	2,550	2,139	2,329
38,400	**38,450**	2,554	2,143	2,332
38,450	**38,500**	2,558	2,146	2,336
38,500	**38,550**	2,561	2,150	2,340
38,550	**38,600**	2,565	2,153	2,344
38,600	**38,650**	2,569	2,157	2,348
38,650	**38,700**	2,573	2,161	2,351
38,700	**38,750**	2,577	2,164	2,355
38,750	**38,800**	2,581	2,168	2,359
38,800	**38,850**	2,585	2,171	2,363
38,850	**38,900**	2,589	2,175	2,367
38,900	**38,950**	2,593	2,179	2,370
38,950	**39,000**	2,597	2,182	2,374
39,000				
39,000	**39,050**	2,601	2,186	2,378
39,050	**39,100**	2,605	2,189	2,382
39,100	**39,150**	2,609	2,193	2,386
39,150	**39,200**	2,613	2,197	2,389
39,200	**39,250**	2,617	2,200	2,393
39,250	**39,300**	2,621	2,204	2,397
39,300	**39,350**	2,625	2,207	2,401
39,350	**39,400**	2,629	2,211	2,405
39,400	**39,450**	2,633	2,215	2,408
39,450	**39,500**	2,637	2,218	2,412
39,500	**39,550**	2,640	2,222	2,416
39,550	**39,600**	2,644	2,225	2,420
39,600	**39,650**	2,648	2,229	2,424
39,650	**39,700**	2,652	2,233	2,427
39,700	**39,750**	2,656	2,236	2,431
39,750	**39,800**	2,660	2,240	2,435
39,800	**39,850**	2,664	2,243	2,439
39,850	**39,900**	2,668	2,247	2,443
39,900	**39,950**	2,672	2,251	2,446
39,950	**40,000**	2,676	2,254	2,450

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
40,000				
40,000	**40,050**	2,680	2,258	2,454
40,050	**40,100**	2,684	2,262	2,458
40,100	**40,150**	2,688	2,266	2,462
40,150	**40,200**	2,692	2,269	2,465
40,200	**40,250**	2,697	2,273	2,469
40,250	**40,300**	2,701	2,277	2,473
40,300	**40,350**	2,705	2,281	2,477
40,350	**40,400**	2,709	2,285	2,481
40,400	**40,450**	2,713	2,288	2,484
40,450	**40,500**	2,717	2,292	2,488
40,500	**40,550**	2,721	2,296	2,492
40,550	**40,600**	2,725	2,300	2,496
40,600	**40,650**	2,730	2,304	2,500
40,650	**40,700**	2,734	2,307	2,503
40,700	**40,750**	2,738	2,311	2,507
40,750	**40,800**	2,742	2,315	2,511
40,800	**40,850**	2,746	2,319	2,515
40,850	**40,900**	2,750	2,323	2,519
40,900	**40,950**	2,754	2,326	2,522
40,950	**41,000**	2,758	2,330	2,526
41,000				
41,000	**41,050**	2,763	2,334	2,530
41,050	**41,100**	2,767	2,338	2,534
41,100	**41,150**	2,771	2,342	2,538
41,150	**41,200**	2,775	2,345	2,541
41,200	**41,250**	2,779	2,349	2,545
41,250	**41,300**	2,783	2,353	2,549
41,300	**41,350**	2,787	2,357	2,553
41,350	**41,400**	2,791	2,361	2,557
41,400	**41,450**	2,796	2,364	2,560
41,450	**41,500**	2,800	2,368	2,564
41,500	**41,550**	2,804	2,372	2,568
41,550	**41,600**	2,808	2,376	2,572
41,600	**41,650**	2,812	2,380	2,576
41,650	**41,700**	2,816	2,383	2,579
41,700	**41,750**	2,820	2,387	2,583
41,750	**41,800**	2,824	2,391	2,587
41,800	**41,850**	2,829	2,395	2,591
41,850	**41,900**	2,833	2,399	2,595
41,900	**41,950**	2,837	2,402	2,598
41,950	**42,000**	2,841	2,406	2,602
42,000				
42,000	**42,050**	2,845	2,410	2,606
42,050	**42,100**	2,849	2,414	2,610
42,100	**42,150**	2,853	2,418	2,614
42,150	**42,200**	2,857	2,421	2,617
42,200	**42,250**	2,862	2,425	2,621
42,250	**42,300**	2,866	2,429	2,625
42,300	**42,350**	2,870	2,433	2,629
42,350	**42,400**	2,874	2,437	2,633
42,400	**42,450**	2,878	2,440	2,636
42,450	**42,500**	2,882	2,444	2,640
42,500	**42,550**	2,886	2,448	2,644
42,550	**42,600**	2,890	2,452	2,648
42,600	**42,650**	2,895	2,456	2,652
42,650	**42,700**	2,899	2,459	2,655
42,700	**42,750**	2,903	2,463	2,659
42,750	**42,800**	2,907	2,467	2,663
42,800	**42,850**	2,911	2,471	2,667
42,850	**42,900**	2,915	2,475	2,671
42,900	**42,950**	2,919	2,478	2,674
42,950	**43,000**	2,923	2,482	2,678

*This column must also be used by qualifying widow(er)

Continued on next page

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
43,000				
43,000	**43,050**	2,928	2,486	2,682
43,050	**43,100**	2,932	2,490	2,686
43,100	**43,150**	2,936	2,494	2,690
43,150	**43,200**	2,940	2,497	2,693
43,200	**43,250**	2,944	2,501	2,697
43,250	**43,300**	2,948	2,505	2,701
43,300	**43,350**	2,952	2,509	2,705
43,350	**43,400**	2,956	2,513	2,709
43,400	**43,450**	2,961	2,516	2,712
43,450	**43,500**	2,965	2,520	2,716
43,500	**43,550**	2,969	2,524	2,720
43,550	**43,600**	2,973	2,528	2,724
43,600	**43,650**	2,977	2,532	2,728
43,650	**43,700**	2,981	2,535	2,731
43,700	**43,750**	2,985	2,539	2,735
43,750	**43,800**	2,989	2,543	2,739
43,800	**43,850**	2,994	2,547	2,743
43,850	**43,900**	2,998	2,551	2,747
43,900	**43,950**	3,002	2,554	2,750
43,950	**44,000**	3,006	2,558	2,754
44,000				
44,000	**44,050**	3,010	2,562	2,758
44,050	**44,100**	3,014	2,566	2,762
44,100	**44,150**	3,018	2,570	2,766
44,150	**44,200**	3,022	2,573	2,769
44,200	**44,250**	3,027	2,577	2,773
44,250	**44,300**	3,031	2,581	2,777
44,300	**44,350**	3,035	2,585	2,781
44,350	**44,400**	3,039	2,589	2,785
44,400	**44,450**	3,043	2,592	2,788
44,450	**44,500**	3,047	2,596	2,792
44,500	**44,550**	3,051	2,600	2,796
44,550	**44,600**	3,055	2,604	2,800
44,600	**44,650**	3,060	2,608	2,804
44,650	**44,700**	3,064	2,611	2,807
44,700	**44,750**	3,068	2,615	2,811
44,750	**44,800**	3,072	2,619	2,815
44,800	**44,850**	3,076	2,623	2,819
44,850	**44,900**	3,080	2,627	2,823
44,900	**44,950**	3,084	2,630	2,826
44,950	**45,000**	3,088	2,634	2,830
45,000				
45,000	**45,050**	3,093	2,638	2,834
45,050	**45,100**	3,097	2,642	2,838
45,100	**45,150**	3,101	2,646	2,842
45,150	**45,200**	3,105	2,649	2,846
45,200	**45,250**	3,109	2,653	2,850
45,250	**45,300**	3,113	2,657	2,854
45,300	**45,350**	3,117	2,661	2,858
45,350	**45,400**	3,121	2,665	2,862
45,400	**45,450**	3,126	2,668	2,866
45,450	**45,500**	3,130	2,672	2,870
45,500	**45,550**	3,134	2,676	2,873
45,550	**45,600**	3,138	2,680	2,877
45,600	**45,650**	3,142	2,684	2,881
45,650	**45,700**	3,146	2,687	2,885
45,700	**45,750**	3,150	2,691	2,889
45,750	**45,800**	3,154	2,695	2,893
45,800	**45,850**	3,159	2,699	2,897
45,850	**45,900**	3,163	2,703	2,901
45,900	**45,950**	3,167	2,706	2,905
45,950	**46,000**	3,171	2,710	2,909

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
46,000				
46,000	**46,050**	3,175	2,714	2,913
46,050	**46,100**	3,179	2,718	2,917
46,100	**46,150**	3,183	2,722	2,921
46,150	**46,200**	3,187	2,725	2,925
46,200	**46,250**	3,192	2,729	2,929
46,250	**46,300**	3,196	2,733	2,933
46,300	**46,350**	3,200	2,737	2,937
46,350	**46,400**	3,204	2,741	2,941
46,400	**46,450**	3,208	2,744	2,945
46,450	**46,500**	3,212	2,748	2,949
46,500	**46,550**	3,216	2,752	2,952
46,550	**46,600**	3,220	2,756	2,956
46,600	**46,650**	3,225	2,760	2,960
46,650	**46,700**	3,229	2,763	2,964
46,700	**46,750**	3,233	2,767	2,968
46,750	**46,800**	3,237	2,771	2,972
46,800	**46,850**	3,241	2,775	2,976
46,850	**46,900**	3,245	2,779	2,980
46,900	**46,950**	3,249	2,782	2,984
46,950	**47,000**	3,253	2,786	2,988
47,000				
47,000	**47,050**	3,258	2,790	2,992
47,050	**47,100**	3,262	2,794	2,996
47,100	**47,150**	3,266	2,798	3,000
47,150	**47,200**	3,270	2,801	3,004
47,200	**47,250**	3,274	2,805	3,008
47,250	**47,300**	3,278	2,809	3,012
47,300	**47,350**	3,282	2,813	3,016
47,350	**47,400**	3,286	2,817	3,020
47,400	**47,450**	3,291	2,820	3,024
47,450	**47,500**	3,295	2,824	3,028
47,500	**47,550**	3,299	2,828	3,031
47,550	**47,600**	3,303	2,832	3,035
47,600	**47,650**	3,307	2,836	3,039
47,650	**47,700**	3,311	2,839	3,043
47,700	**47,750**	3,315	2,843	3,047
47,750	**47,800**	3,319	2,847	3,051
47,800	**47,850**	3,324	2,851	3,055
47,850	**47,900**	3,328	2,855	3,059
47,900	**47,950**	3,332	2,858	3,063
47,950	**48,000**	3,336	2,862	3,067
48,000				
48,000	**48,050**	3,340	2,866	3,071
48,050	**48,100**	3,344	2,870	3,075
48,100	**48,150**	3,348	2,874	3,079
48,150	**48,200**	3,352	2,877	3,083
48,200	**48,250**	3,357	2,881	3,087
48,250	**48,300**	3,361	2,885	3,091
48,300	**48,350**	3,365	2,889	3,095
48,350	**48,400**	3,369	2,893	3,099
48,400	**48,450**	3,373	2,896	3,103
48,450	**48,500**	3,377	2,900	3,107
48,500	**48,550**	3,381	2,904	3,110
48,550	**48,600**	3,385	2,908	3,114
48,600	**48,650**	3,390	2,912	3,118
48,650	**48,700**	3,394	2,915	3,122
48,700	**48,750**	3,398	2,919	3,126
48,750	**48,800**	3,402	2,923	3,130
48,800	**48,850**	3,406	2,927	3,134
48,850	**48,900**	3,410	2,931	3,138
48,900	**48,950**	3,414	2,934	3,142
48,950	**49,000**	3,418	2,938	3,146

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
49,000				
49,000	**49,050**	3,423	2,942	3,150
49,050	**49,100**	3,427	2,946	3,154
49,100	**49,150**	3,431	2,950	3,158
49,150	**49,200**	3,435	2,953	3,162
49,200	**49,250**	3,439	2,957	3,166
49,250	**49,300**	3,443	2,961	3,170
49,300	**49,350**	3,447	2,965	3,174
49,350	**49,400**	3,451	2,969	3,178
49,400	**49,450**	3,456	2,972	3,182
49,450	**49,500**	3,460	2,976	3,186
49,500	**49,550**	3,464	2,980	3,189
49,550	**49,600**	3,468	2,984	3,193
49,600	**49,650**	3,472	2,988	3,197
49,650	**49,700**	3,476	2,991	3,201
49,700	**49,750**	3,480	2,995	3,205
49,750	**49,800**	3,484	2,999	3,209
49,800	**49,850**	3,489	3,003	3,213
49,850	**49,900**	3,493	3,007	3,217
49,900	**49,950**	3,497	3,010	3,221
49,950	**50,000**	3,501	3,014	3,225
50,000				
50,000	**50,050**	3,505	3,018	3,229
50,050	**50,100**	3,509	3,022	3,233
50,100	**50,150**	3,513	3,026	3,237
50,150	**50,200**	3,517	3,029	3,241
50,200	**50,250**	3,522	3,033	3,245
50,250	**50,300**	3,526	3,037	3,249
50,300	**50,350**	3,530	3,041	3,253
50,350	**50,400**	3,534	3,045	3,257
50,400	**50,450**	3,538	3,048	3,261
50,450	**50,500**	3,542	3,052	3,265
50,500	**50,550**	3,546	3,056	3,268
50,550	**50,600**	3,550	3,060	3,272
50,600	**50,650**	3,555	3,064	3,276
50,650	**50,700**	3,559	3,067	3,280
50,700	**50,750**	3,563	3,071	3,284
50,750	**50,800**	3,567	3,075	3,288
50,800	**50,850**	3,571	3,079	3,292
50,850	**50,900**	3,575	3,083	3,296
50,900	**50,950**	3,579	3,086	3,300
50,950	**51,000**	3,583	3,090	3,304
51,000				
51,000	**51,050**	3,588	3,094	3,308
51,050	**51,100**	3,592	3,098	3,312
51,100	**51,150**	3,596	3,102	3,316
51,150	**51,200**	3,600	3,105	3,320
51,200	**51,250**	3,604	3,109	3,324
51,250	**51,300**	3,608	3,113	3,328
51,300	**51,350**	3,612	3,117	3,332
51,350	**51,400**	3,616	3,121	3,336
51,400	**51,450**	3,621	3,124	3,340
51,450	**51,500**	3,625	3,128	3,344
51,500	**51,550**	3,629	3,132	3,347
51,550	**51,600**	3,633	3,136	3,351
51,600	**51,650**	3,637	3,140	3,355
51,650	**51,700**	3,641	3,143	3,359
51,700	**51,750**	3,645	3,147	3,363
51,750	**51,800**	3,649	3,151	3,367
51,800	**51,850**	3,654	3,155	3,371
51,850	**51,900**	3,658	3,159	3,375
51,900	**51,950**	3,662	3,162	3,379
51,950	**52,000**	3,666	3,166	3,383

*This column must also be used by qualifying widow(er)

Continued on next page

2005 Hawaii Tax Table (Continued)

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
52,000				
52,000	**52,050**	3,670	3,170	3,387
52,050	**52,100**	3,674	3,174	3,391
52,100	**52,150**	3,678	3,178	3,395
52,150	**52,200**	3,682	3,181	3,399
52,200	**52,250**	3,687	3,185	3,403
52,250	**52,300**	3,691	3,189	3,407
52,300	**52,350**	3,695	3,193	3,411
52,350	**52,400**	3,699	3,197	3,415
52,400	**52,450**	3,703	3,200	3,419
52,450	**52,500**	3,707	3,204	3,423
52,500	**52,550**	3,711	3,208	3,426
52,550	**52,600**	3,715	3,212	3,430
52,600	**52,650**	3,720	3,216	3,434
52,650	**52,700**	3,724	3,219	3,438
52,700	**52,750**	3,728	3,223	3,442
52,750	**52,800**	3,732	3,227	3,446
52,800	**52,850**	3,736	3,231	3,450
52,850	**52,900**	3,740	3,235	3,454
52,900	**52,950**	3,744	3,238	3,458
52,950	**53,000**	3,748	3,242	3,462
53,000				
53,000	**53,050**	3,753	3,246	3,466
53,050	**53,100**	3,757	3,250	3,470
53,100	**53,150**	3,761	3,254	3,474
53,150	**53,200**	3,765	3,257	3,478
53,200	**53,250**	3,769	3,261	3,482
53,250	**53,300**	3,773	3,265	3,486
53,300	**53,350**	3,777	3,269	3,490
53,350	**53,400**	3,781	3,273	3,494
53,400	**53,450**	3,786	3,276	3,498
53,450	**53,500**	3,790	3,280	3,502
53,500	**53,550**	3,794	3,284	3,505
53,550	**53,600**	3,798	3,288	3,509
53,600	**53,650**	3,802	3,292	3,513
53,650	**53,700**	3,806	3,295	3,517
53,700	**53,750**	3,810	3,299	3,521
53,750	**53,800**	3,814	3,303	3,525
53,800	**53,850**	3,819	3,307	3,529
53,850	**53,900**	3,823	3,311	3,533
53,900	**53,950**	3,827	3,314	3,537
53,950	**54,000**	3,831	3,318	3,541
54,000				
54,000	**54,050**	3,835	3,322	3,545
54,050	**54,100**	3,839	3,326	3,549
54,100	**54,150**	3,843	3,330	3,553
54,150	**54,200**	3,847	3,333	3,557
54,200	**54,250**	3,852	3,337	3,561
54,250	**54,300**	3,856	3,341	3,565
54,300	**54,350**	3,860	3,345	3,569
54,350	**54,400**	3,864	3,349	3,573
54,400	**54,450**	3,868	3,352	3,577
54,450	**54,500**	3,872	3,356	3,581
54,500	**54,550**	3,876	3,360	3,584
54,550	**54,600**	3,880	3,364	3,588
54,600	**54,650**	3,885	3,368	3,592
54,650	**54,700**	3,889	3,371	3,596
54,700	**54,750**	3,893	3,375	3,600
54,750	**54,800**	3,897	3,379	3,604
54,800	**54,850**	3,901	3,383	3,608
54,850	**54,900**	3,905	3,387	3,612
54,900	**54,950**	3,909	3,390	3,616
54,950	**55,000**	3,913	3,394	3,620

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
55,000				
55,000	**55,050**	3,918	3,398	3,624
55,050	**55,100**	3,922	3,402	3,628
55,100	**55,150**	3,926	3,406	3,632
55,150	**55,200**	3,930	3,409	3,636
55,200	**55,250**	3,934	3,413	3,640
55,250	**55,300**	3,938	3,417	3,644
55,300	**55,350**	3,942	3,421	3,648
55,350	**55,400**	3,946	3,425	3,652
55,400	**55,450**	3,951	3,428	3,656
55,450	**55,500**	3,955	3,432	3,660
55,500	**55,550**	3,959	3,436	3,663
55,550	**55,600**	3,963	3,440	3,667
55,600	**55,650**	3,967	3,444	3,671
55,650	**55,700**	3,971	3,447	3,675
55,700	**55,750**	3,975	3,451	3,679
55,750	**55,800**	3,979	3,455	3,683
55,800	**55,850**	3,984	3,459	3,687
55,850	**55,900**	3,988	3,463	3,691
55,900	**55,950**	3,992	3,466	3,695
55,950	**56,000**	3,996	3,470	3,699
56,000				
56,000	**56,050**	4,000	3,474	3,703
56,050	**56,100**	4,004	3,478	3,707
56,100	**56,150**	4,008	3,482	3,711
56,150	**56,200**	4,012	3,485	3,715
56,200	**56,250**	4,017	3,489	3,719
56,250	**56,300**	4,021	3,493	3,723
56,300	**56,350**	4,025	3,497	3,727
56,350	**56,400**	4,029	3,501	3,731
56,400	**56,450**	4,033	3,504	3,735
56,450	**56,500**	4,037	3,508	3,739
56,500	**56,550**	4,041	3,512	3,742
56,550	**56,600**	4,045	3,516	3,746
56,600	**56,650**	4,050	3,520	3,750
56,650	**56,700**	4,054	3,523	3,754
56,700	**56,750**	4,058	3,527	3,758
56,750	**56,800**	4,062	3,531	3,762
56,800	**56,850**	4,066	3,535	3,766
56,850	**56,900**	4,070	3,539	3,770
56,900	**56,950**	4,074	3,542	3,774
56,950	**57,000**	4,078	3,546	3,778
57,000				
57,000	**57,050**	4,083	3,550	3,782
57,050	**57,100**	4,087	3,554	3,786
57,100	**57,150**	4,091	3,558	3,790
57,150	**57,200**	4,095	3,561	3,794
57,200	**57,250**	4,099	3,565	3,798
57,250	**57,300**	4,103	3,569	3,802
57,300	**57,350**	4,107	3,573	3,806
57,350	**57,400**	4,111	3,577	3,810
57,400	**57,450**	4,116	3,580	3,814
57,450	**57,500**	4,120	3,584	3,818
57,500	**57,550**	4,124	3,588	3,821
57,550	**57,600**	4,128	3,592	3,825
57,600	**57,650**	4,132	3,596	3,829
57,650	**57,700**	4,136	3,599	3,833
57,700	**57,750**	4,140	3,603	3,837
57,750	**57,800**	4,144	3,607	3,841
57,800	**57,850**	4,149	3,611	3,845
57,850	**57,900**	4,153	3,615	3,849
57,900	**57,950**	4,157	3,618	3,853
57,950	**58,000**	4,161	3,622	3,857

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
58,000				
58,000	**58,050**	4,165	3,626	3,861
58,050	**58,100**	4,169	3,630	3,865
58,100	**58,150**	4,173	3,634	3,869
58,150	**58,200**	4,177	3,637	3,873
58,200	**58,250**	4,182	3,641	3,877
58,250	**58,300**	4,186	3,645	3,881
58,300	**58,350**	4,190	3,649	3,885
58,350	**58,400**	4,194	3,653	3,889
58,400	**58,450**	4,198	3,656	3,893
58,450	**58,500**	4,202	3,660	3,897
58,500	**58,550**	4,206	3,664	3,900
58,550	**58,600**	4,210	3,668	3,904
58,600	**58,650**	4,215	3,672	3,908
58,650	**58,700**	4,219	3,675	3,912
58,700	**58,750**	4,223	3,679	3,916
58,750	**58,800**	4,227	3,683	3,920
58,800	**58,850**	4,231	3,687	3,924
58,850	**58,900**	4,235	3,691	3,928
58,900	**58,950**	4,239	3,694	3,932
58,950	**59,000**	4,243	3,698	3,936
59,000				
59,000	**59,050**	4,248	3,702	3,940
59,050	**59,100**	4,252	3,706	3,944
59,100	**59,150**	4,256	3,710	3,948
59,150	**59,200**	4,260	3,713	3,952
59,200	**59,250**	4,264	3,717	3,956
59,250	**59,300**	4,268	3,721	3,960
59,300	**59,350**	4,272	3,725	3,964
59,350	**59,400**	4,276	3,729	3,968
59,400	**59,450**	4,281	3,732	3,972
59,450	**59,500**	4,285	3,736	3,976
59,500	**59,550**	4,289	3,740	3,979
59,550	**59,600**	4,293	3,744	3,983
59,600	**59,650**	4,297	3,748	3,987
59,650	**59,700**	4,301	3,751	3,991
59,700	**59,750**	4,305	3,755	3,995
59,750	**59,800**	4,309	3,759	3,999
59,800	**59,850**	4,314	3,763	4,003
59,850	**59,900**	4,318	3,767	4,007
59,900	**59,950**	4,322	3,770	4,011
59,950	**60,000**	4,326	3,774	4,015
60,000				
60,000	**60,050**	4,330	3,778	4,019
60,050	**60,100**	4,334	3,782	4,023
60,100	**60,150**	4,338	3,786	4,027
60,150	**60,200**	4,342	3,790	4,031
60,200	**60,250**	4,347	3,794	4,036
60,250	**60,300**	4,351	3,798	4,040
60,300	**60,350**	4,355	3,802	4,044
60,350	**60,400**	4,359	3,806	4,048
60,400	**60,450**	4,363	3,810	4,052
60,450	**60,500**	4,367	3,814	4,056
60,500	**60,550**	4,371	3,817	4,060
60,550	**60,600**	4,375	3,821	4,064
60,600	**60,650**	4,380	3,825	4,069
60,650	**60,700**	4,384	3,829	4,073
60,700	**60,750**	4,388	3,833	4,077
60,750	**60,800**	4,392	3,837	4,081
60,800	**60,850**	4,396	3,841	4,085
60,850	**60,900**	4,400	3,845	4,089
60,900	**60,950**	4,404	3,849	4,093
60,950	**61,000**	4,408	3,853	4,097

*This column must also be used by qualifying widow(er)

Continued on next page

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
61,000				
61,000	**61,050**	4,413	3,857	4,102
61,050	**61,100**	4,417	3,861	4,106
61,100	**61,150**	4,421	3,865	4,110
61,150	**61,200**	4,425	3,869	4,114
61,200	**61,250**	4,429	3,873	4,118
61,250	**61,300**	4,433	3,877	4,122
61,300	**61,350**	4,437	3,881	4,126
61,350	**61,400**	4,441	3,885	4,130
61,400	**61,450**	4,446	3,889	4,135
61,450	**61,500**	4,450	3,893	4,139
61,500	**61,550**	4,454	3,896	4,143
61,550	**61,600**	4,458	3,900	4,147
61,600	**61,650**	4,462	3,904	4,151
61,650	**61,700**	4,466	3,908	4,155
61,700	**61,750**	4,470	3,912	4,159
61,750	**61,800**	4,474	3,916	4,163
61,800	**61,850**	4,479	3,920	4,168
61,850	**61,900**	4,483	3,924	4,172
61,900	**61,950**	4,487	3,928	4,176
61,950	**62,000**	4,491	3,932	4,180
62,000				
62,000	**62,050**	4,495	3,936	4,184
62,050	**62,100**	4,499	3,940	4,188
62,100	**62,150**	4,503	3,944	4,192
62,150	**62,200**	4,507	3,948	4,196
62,200	**62,250**	4,512	3,952	4,201
62,250	**62,300**	4,516	3,956	4,205
62,300	**62,350**	4,520	3,960	4,209
62,350	**62,400**	4,524	3,964	4,213
62,400	**62,450**	4,528	3,968	4,217
62,450	**62,500**	4,532	3,972	4,221
62,500	**62,550**	4,536	3,975	4,225
62,550	**62,600**	4,540	3,979	4,229
62,600	**62,650**	4,545	3,983	4,234
62,650	**62,700**	4,549	3,987	4,238
62,700	**62,750**	4,553	3,991	4,242
62,750	**62,800**	4,557	3,995	4,246
62,800	**62,850**	4,561	3,999	4,250
62,850	**62,900**	4,565	4,003	4,254
62,900	**62,950**	4,569	4,007	4,258
62,950	**63,000**	4,573	4,011	4,262
63,000				
63,000	**63,050**	4,578	4,015	4,267
63,050	**63,100**	4,582	4,019	4,271
63,100	**63,150**	4,586	4,023	4,275
63,150	**63,200**	4,590	4,027	4,279
63,200	**63,250**	4,594	4,031	4,283
63,250	**63,300**	4,598	4,035	4,287
63,300	**63,350**	4,602	4,039	4,291
63,350	**63,400**	4,606	4,043	4,295
63,400	**63,450**	4,611	4,047	4,300
63,450	**63,500**	4,615	4,051	4,304
63,500	**63,550**	4,619	4,054	4,308
63,550	**63,600**	4,623	4,058	4,312
63,600	**63,650**	4,627	4,062	4,316
63,650	**63,700**	4,631	4,066	4,320
63,700	**63,750**	4,635	4,070	4,324
63,750	**63,800**	4,639	4,074	4,328
63,800	**63,850**	4,644	4,078	4,333
63,850	**63,900**	4,648	4,082	4,337
63,900	**63,950**	4,652	4,086	4,341
63,950	**64,000**	4,656	4,090	4,345

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
64,000				
64,000	**64,050**	4,660	4,094	4,349
64,050	**64,100**	4,664	4,098	4,353
64,100	**64,150**	4,668	4,102	4,357
64,150	**64,200**	4,672	4,106	4,361
64,200	**64,250**	4,677	4,110	4,366
64,250	**64,300**	4,681	4,114	4,370
64,300	**64,350**	4,685	4,118	4,374
64,350	**64,400**	4,689	4,122	4,378
64,400	**64,450**	4,693	4,126	4,382
64,450	**64,500**	4,697	4,130	4,386
64,500	**64,550**	4,701	4,133	4,390
64,550	**64,600**	4,705	4,137	4,394
64,600	**64,650**	4,710	4,141	4,399
64,650	**64,700**	4,714	4,145	4,403
64,700	**64,750**	4,718	4,149	4,407
64,750	**64,800**	4,722	4,153	4,411
64,800	**64,850**	4,726	4,157	4,415
64,850	**64,900**	4,730	4,161	4,419
64,900	**64,950**	4,734	4,165	4,423
64,950	**65,000**	4,738	4,169	4,427
65,000				
65,000	**65,050**	4,743	4,173	4,432
65,050	**65,100**	4,747	4,177	4,436
65,100	**65,150**	4,751	4,181	4,440
65,150	**65,200**	4,755	4,185	4,444
65,200	**65,250**	4,759	4,189	4,448
65,250	**65,300**	4,763	4,193	4,452
65,300	**65,350**	4,767	4,197	4,456
65,350	**65,400**	4,771	4,201	4,460
65,400	**65,450**	4,776	4,205	4,465
65,450	**65,500**	4,780	4,209	4,469
65,500	**65,550**	4,784	4,212	4,473
65,550	**65,600**	4,788	4,216	4,477
65,600	**65,650**	4,792	4,220	4,481
65,650	**65,700**	4,796	4,224	4,485
65,700	**65,750**	4,800	4,228	4,489
65,750	**65,800**	4,804	4,232	4,493
65,800	**65,850**	4,809	4,236	4,498
65,850	**65,900**	4,813	4,240	4,502
65,900	**65,950**	4,817	4,244	4,506
65,950	**66,000**	4,821	4,248	4,510
66,000				
66,000	**66,050**	4,825	4,252	4,514
66,050	**66,100**	4,829	4,256	4,518
66,100	**66,150**	4,833	4,260	4,522
66,150	**66,200**	4,837	4,264	4,526
66,200	**66,250**	4,842	4,268	4,531
66,250	**66,300**	4,846	4,272	4,535
66,300	**66,350**	4,850	4,276	4,539
66,350	**66,400**	4,854	4,280	4,543
66,400	**66,450**	4,858	4,284	4,547
66,450	**66,500**	4,862	4,288	4,551
66,500	**66,550**	4,866	4,291	4,555
66,550	**66,600**	4,870	4,295	4,559
66,600	**66,650**	4,875	4,299	4,564
66,650	**66,700**	4,879	4,303	4,568
66,700	**66,750**	4,883	4,307	4,572
66,750	**66,800**	4,887	4,311	4,576
66,800	**66,850**	4,891	4,315	4,580
66,850	**66,900**	4,895	4,319	4,584
66,900	**66,950**	4,899	4,323	4,588
66,950	**67,000**	4,903	4,327	4,592

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
67,000				
67,000	**67,050**	4,908	4,331	4,597
67,050	**67,100**	4,912	4,335	4,601
67,100	**67,150**	4,916	4,339	4,605
67,150	**67,200**	4,920	4,343	4,609
67,200	**67,250**	4,924	4,347	4,613
67,250	**67,300**	4,928	4,351	4,617
67,300	**67,350**	4,932	4,355	4,621
67,350	**67,400**	4,936	4,359	4,625
67,400	**67,450**	4,941	4,363	4,630
67,450	**67,500**	4,945	4,367	4,634
67,500	**67,550**	4,949	4,370	4,638
67,550	**67,600**	4,953	4,374	4,642
67,600	**67,650**	4,957	4,378	4,646
67,650	**67,700**	4,961	4,382	4,650
67,700	**67,750**	4,965	4,386	4,654
67,750	**67,800**	4,969	4,390	4,658
67,800	**67,850**	4,974	4,394	4,663
67,850	**67,900**	4,978	4,398	4,667
67,900	**67,950**	4,982	4,402	4,671
67,950	**68,000**	4,986	4,406	4,675
68,000				
68,000	**68,050**	4,990	4,410	4,679
68,050	**68,100**	4,994	4,414	4,683
68,100	**68,150**	4,998	4,418	4,687
68,150	**68,200**	5,002	4,422	4,691
68,200	**68,250**	5,007	4,426	4,696
68,250	**68,300**	5,011	4,430	4,700
68,300	**68,350**	5,015	4,434	4,704
68,350	**68,400**	5,019	4,438	4,708
68,400	**68,450**	5,023	4,442	4,712
68,450	**68,500**	5,027	4,446	4,716
68,500	**68,550**	5,031	4,449	4,720
68,550	**68,600**	5,035	4,453	4,724
68,600	**68,650**	5,040	4,457	4,729
68,650	**68,700**	5,044	4,461	4,733
68,700	**68,750**	5,048	4,465	4,737
68,750	**68,800**	5,052	4,469	4,741
68,800	**68,850**	5,056	4,473	4,745
68,850	**68,900**	5,060	4,477	4,749
68,900	**68,950**	5,064	4,481	4,753
68,950	**69,000**	5,068	4,485	4,757
69,000				
69,000	**69,050**	5,073	4,489	4,762
69,050	**69,100**	5,077	4,493	4,766
69,100	**69,150**	5,081	4,497	4,770
69,150	**69,200**	5,085	4,501	4,774
69,200	**69,250**	5,089	4,505	4,778
69,250	**69,300**	5,093	4,509	4,782
69,300	**69,350**	5,097	4,513	4,786
69,350	**69,400**	5,101	4,517	4,790
69,400	**69,450**	5,106	4,521	4,795
69,450	**69,500**	5,110	4,525	4,799
69,500	**69,550**	5,114	4,528	4,803
69,550	**69,600**	5,118	4,532	4,807
69,600	**69,650**	5,122	4,536	4,811
69,650	**69,700**	5,126	4,540	4,815
69,700	**69,750**	5,130	4,544	4,819
69,750	**69,800**	5,134	4,548	4,823
69,800	**69,850**	5,139	4,552	4,828
69,850	**69,900**	5,143	4,556	4,832
69,900	**69,950**	5,147	4,560	4,836
69,950	**70,000**	5,151	4,564	4,840

*This column must also be used by qualifying widow(er)

Continued on next page

2005 Hawaii Tax Table (Continued)

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
70,000				
70,000	**70,050**	5,155	4,568	4,844
70,050	**70,100**	5,159	4,572	4,848
70,100	**70,150**	5,163	4,576	4,852
70,150	**70,200**	5,167	4,580	4,856
70,200	**70,250**	5,172	4,584	4,861
70,250	**70,300**	5,176	4,588	4,865
70,300	**70,350**	5,180	4,592	4,869
70,350	**70,400**	5,184	4,596	4,873
70,400	**70,450**	5,188	4,600	4,877
70,450	**70,500**	5,192	4,604	4,881
70,500	**70,550**	5,196	4,607	4,885
70,550	**70,600**	5,200	4,611	4,889
70,600	**70,650**	5,205	4,615	4,894
70,650	**70,700**	5,209	4,619	4,898
70,700	**70,750**	5,213	4,623	4,902
70,750	**70,800**	5,217	4,627	4,906
70,800	**70,850**	5,221	4,631	4,910
70,850	**70,900**	5,225	4,635	4,914
70,900	**70,950**	5,229	4,639	4,918
70,950	**71,000**	5,233	4,643	4,922
71,000				
71,000	**71,050**	5,238	4,647	4,927
71,050	**71,100**	5,242	4,651	4,931
71,100	**71,150**	5,246	4,655	4,935
71,150	**71,200**	5,250	4,659	4,939
71,200	**71,250**	5,254	4,663	4,943
71,250	**71,300**	5,258	4,667	4,947
71,300	**71,350**	5,262	4,671	4,951
71,350	**71,400**	5,266	4,675	4,955
71,400	**71,450**	5,271	4,679	4,960
71,450	**71,500**	5,275	4,683	4,964
71,500	**71,550**	5,279	4,686	4,968
71,550	**71,600**	5,283	4,690	4,972
71,600	**71,650**	5,287	4,694	4,976
71,650	**71,700**	5,291	4,698	4,980
71,700	**71,750**	5,295	4,702	4,984
71,750	**71,800**	5,299	4,706	4,988
71,800	**71,850**	5,304	4,710	4,993
71,850	**71,900**	5,308	4,714	4,997
71,900	**71,950**	5,312	4,718	5,001
71,950	**72,000**	5,316	4,722	5,005
72,000				
72,000	**72,050**	5,320	4,726	5,009
72,050	**72,100**	5,324	4,730	5,013
72,100	**72,150**	5,328	4,734	5,017
72,150	**72,200**	5,332	4,738	5,021
72,200	**72,250**	5,337	4,742	5,026
72,250	**72,300**	5,341	4,746	5,030
72,300	**72,350**	5,345	4,750	5,034
72,350	**72,400**	5,349	4,754	5,038
72,400	**72,450**	5,353	4,758	5,042
72,450	**72,500**	5,357	4,762	5,046
72,500	**72,550**	5,361	4,765	5,050
72,550	**72,600**	5,365	4,769	5,054
72,600	**72,650**	5,370	4,773	5,059
72,650	**72,700**	5,374	4,777	5,063
72,700	**72,750**	5,378	4,781	5,067
72,750	**72,800**	5,382	4,785	5,071
72,800	**72,850**	5,386	4,789	5,075
72,850	**72,900**	5,390	4,793	5,079
72,900	**72,950**	5,394	4,797	5,083
72,950	**73,000**	5,398	4,801	5,087

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
73,000				
73,000	**73,050**	5,403	4,805	5,092
73,050	**73,100**	5,407	4,809	5,096
73,100	**73,150**	5,411	4,813	5,100
73,150	**73,200**	5,415	4,817	5,104
73,200	**73,250**	5,419	4,821	5,108
73,250	**73,300**	5,423	4,825	5,112
73,300	**73,350**	5,427	4,829	5,116
73,350	**73,400**	5,431	4,833	5,120
73,400	**73,450**	5,436	4,837	5,125
73,450	**73,500**	5,440	4,841	5,129
73,500	**73,550**	5,444	4,844	5,133
73,550	**73,600**	5,448	4,848	5,137
73,600	**73,650**	5,452	4,852	5,141
73,650	**73,700**	5,456	4,856	5,145
73,700	**73,750**	5,460	4,860	5,149
73,750	**73,800**	5,464	4,864	5,153
73,800	**73,850**	5,469	4,868	5,158
73,850	**73,900**	5,473	4,872	5,162
73,900	**73,950**	5,477	4,876	5,166
73,950	**74,000**	5,481	4,880	5,170
74,000				
74,000	**74,050**	5,485	4,884	5,174
74,050	**74,100**	5,489	4,888	5,178
74,100	**74,150**	5,493	4,892	5,182
74,150	**74,200**	5,497	4,896	5,186
74,200	**74,250**	5,502	4,900	5,191
74,250	**74,300**	5,506	4,904	5,195
74,300	**74,350**	5,510	4,908	5,199
74,350	**74,400**	5,514	4,912	5,203
74,400	**74,450**	5,518	4,916	5,207
74,450	**74,500**	5,522	4,920	5,211
74,500	**74,550**	5,526	4,923	5,215
74,550	**74,600**	5,530	4,927	5,219
74,600	**74,650**	5,535	4,931	5,224
74,650	**74,700**	5,539	4,935	5,228
74,700	**74,750**	5,543	4,939	5,232
74,750	**74,800**	5,547	4,943	5,236
74,800	**74,850**	5,551	4,947	5,240
74,850	**74,900**	5,555	4,951	5,244
74,900	**74,950**	5,559	4,955	5,248
74,950	**75,000**	5,563	4,959	5,252
75,000				
75,000	**75,050**	5,568	4,963	5,257
75,050	**75,100**	5,572	4,967	5,261
75,100	**75,150**	5,576	4,971	5,265
75,150	**75,200**	5,580	4,975	5,269
75,200	**75,250**	5,584	4,979	5,273
75,250	**75,300**	5,588	4,983	5,277
75,300	**75,350**	5,592	4,987	5,281
75,350	**75,400**	5,596	4,991	5,285
75,400	**75,450**	5,601	4,995	5,290
75,450	**75,500**	5,605	4,999	5,294
75,500	**75,550**	5,609	5,002	5,298
75,550	**75,600**	5,613	5,006	5,302
75,600	**75,650**	5,617	5,010	5,306
75,650	**75,700**	5,621	5,014	5,310
75,700	**75,750**	5,625	5,018	5,314
75,750	**75,800**	5,629	5,022	5,318
75,800	**75,850**	5,634	5,026	5,323
75,850	**75,900**	5,638	5,030	5,327
75,900	**75,950**	5,642	5,034	5,331
75,950	**76,000**	5,646	5,038	5,335

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
76,000				
76,000	**76,050**	5,650	5,042	5,339
76,050	**76,100**	5,654	5,046	5,343
76,100	**76,150**	5,658	5,050	5,347
76,150	**76,200**	5,662	5,054	5,351
76,200	**76,250**	5,667	5,058	5,356
76,250	**76,300**	5,671	5,062	5,360
76,300	**76,350**	5,675	5,066	5,364
76,350	**76,400**	5,679	5,070	5,368
76,400	**76,450**	5,683	5,074	5,372
76,450	**76,500**	5,687	5,078	5,376
76,500	**76,550**	5,691	5,081	5,380
76,550	**76,600**	5,695	5,085	5,384
76,600	**76,650**	5,700	5,089	5,389
76,650	**76,700**	5,704	5,093	5,393
76,700	**76,750**	5,708	5,097	5,397
76,750	**76,800**	5,712	5,101	5,401
76,800	**76,850**	5,716	5,105	5,405
76,850	**76,900**	5,720	5,109	5,409
76,900	**76,950**	5,724	5,113	5,413
76,950	**77,000**	5,728	5,117	5,417
77,000				
77,000	**77,050**	5,733	5,121	5,422
77,050	**77,100**	5,737	5,125	5,426
77,100	**77,150**	5,741	5,129	5,430
77,150	**77,200**	5,745	5,133	5,434
77,200	**77,250**	5,749	5,137	5,438
77,250	**77,300**	5,753	5,141	5,442
77,300	**77,350**	5,757	5,145	5,446
77,350	**77,400**	5,761	5,149	5,450
77,400	**77,450**	5,766	5,153	5,455
77,450	**77,500**	5,770	5,157	5,459
77,500	**77,550**	5,774	5,160	5,463
77,550	**77,600**	5,778	5,164	5,467
77,600	**77,650**	5,782	5,168	5,471
77,650	**77,700**	5,786	5,172	5,475
77,700	**77,750**	5,790	5,176	5,479
77,750	**77,800**	5,794	5,180	5,483
77,800	**77,850**	5,799	5,184	5,488
77,850	**77,900**	5,803	5,188	5,492
77,900	**77,950**	5,807	5,192	5,496
77,950	**78,000**	5,811	5,196	5,500
78,000				
78,000	**78,050**	5,815	5,200	5,504
78,050	**78,100**	5,819	5,204	5,508
78,100	**78,150**	5,823	5,208	5,512
78,150	**78,200**	5,827	5,212	5,516
78,200	**78,250**	5,832	5,216	5,521
78,250	**78,300**	5,836	5,220	5,525
78,300	**78,350**	5,840	5,224	5,529
78,350	**78,400**	5,844	5,228	5,533
78,400	**78,450**	5,848	5,232	5,537
78,450	**78,500**	5,852	5,236	5,541
78,500	**78,550**	5,856	5,239	5,545
78,550	**78,600**	5,860	5,243	5,549
78,600	**78,650**	5,865	5,247	5,554
78,650	**78,700**	5,869	5,251	5,558
78,700	**78,750**	5,873	5,255	5,562
78,750	**78,800**	5,877	5,259	5,566
78,800	**78,850**	5,881	5,263	5,570
78,850	**78,900**	5,885	5,267	5,574
78,900	**78,950**	5,889	5,271	5,578
78,950	**79,000**	5,893	5,275	5,582

*This column must also be used by qualifying widow(er)

Continued on next page

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household	If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household	If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —					Your tax is —					Your tax is —		
79,000					**82,000**					**85,000**				
79,000	**79,050**	5,898	5,279	5,587	**82,000**	**82,050**	6,145	5,523	5,834	**85,000**	**85,050**	6,393	5,771	6,082
79,050	**79,100**	5,902	5,283	5,591	**82,050**	**82,100**	6,149	5,527	5,838	**85,050**	**85,100**	6,397	5,775	6,086
79,100	**79,150**	5,906	5,287	5,595	**82,100**	**82,150**	6,153	5,531	5,842	**85,100**	**85,150**	6,401	5,779	6,090
79,150	**79,200**	5,910	5,291	5,599	**82,150**	**82,200**	6,157	5,535	5,846	**85,150**	**85,200**	6,405	5,783	6,094
79,200	**79,250**	5,914	5,295	5,603	**82,200**	**82,250**	6,162	5,540	5,851	**85,200**	**85,250**	6,409	5,787	6,098
79,250	**79,300**	5,918	5,299	5,607	**82,250**	**82,300**	6,166	5,544	5,855	**85,250**	**85,300**	6,413	5,791	6,102
79,300	**79,350**	5,922	5,303	5,611	**82,300**	**82,350**	6,170	5,548	5,859	**85,300**	**85,350**	6,417	5,795	6,106
79,350	**79,400**	5,926	5,307	5,615	**82,350**	**82,400**	6,174	5,552	5,863	**85,350**	**85,400**	6,421	5,799	6,110
79,400	**79,450**	5,931	5,311	5,620	**82,400**	**82,450**	6,178	5,556	5,867	**85,400**	**85,450**	6,426	5,804	6,115
79,450	**79,500**	5,935	5,315	5,624	**82,450**	**82,500**	6,182	5,560	5,871	**85,450**	**85,500**	6,430	5,808	6,119
79,500	**79,550**	5,939	5,318	5,628	**82,500**	**82,550**	6,186	5,564	5,875	**85,500**	**85,550**	6,434	5,812	6,123
79,550	**79,600**	5,943	5,322	5,632	**82,550**	**82,600**	6,190	5,568	5,879	**85,550**	**85,600**	6,438	5,816	6,127
79,600	**79,650**	5,947	5,326	5,636	**82,600**	**82,650**	6,195	5,573	5,884	**85,600**	**85,650**	6,442	5,820	6,131
79,650	**79,700**	5,951	5,330	5,640	**82,650**	**82,700**	6,199	5,577	5,888	**85,650**	**85,700**	6,446	5,824	6,135
79,700	**79,750**	5,955	5,334	5,644	**82,700**	**82,750**	6,203	5,581	5,892	**85,700**	**85,750**	6,450	5,828	6,139
79,750	**79,800**	5,959	5,338	5,648	**82,750**	**82,800**	6,207	5,585	5,896	**85,750**	**85,800**	6,454	5,832	6,143
79,800	**79,850**	5,964	5,342	5,653	**82,800**	**82,850**	6,211	5,589	5,900	**85,800**	**85,850**	6,459	5,837	6,148
79,850	**79,900**	5,968	5,346	5,657	**82,850**	**82,900**	6,215	5,593	5,904	**85,850**	**85,900**	6,463	5,841	6,152
79,900	**79,950**	5,972	5,350	5,661	**82,900**	**82,950**	6,219	5,597	5,908	**85,900**	**85,950**	6,467	5,845	6,156
79,950	**80,000**	5,976	5,354	5,665	**82,950**	**83,000**	6,223	5,601	5,912	**85,950**	**86,000**	6,471	5,849	6,160
80,000					**83,000**					**86,000**				
80,000	**80,050**	5,980	5,358	5,669	**83,000**	**83,050**	6,228	5,606	5,917	**86,000**	**86,050**	6,475	5,853	6,164
80,050	**80,100**	5,984	5,362	5,673	**83,050**	**83,100**	6,232	5,610	5,921	**86,050**	**86,100**	6,479	5,857	6,168
80,100	**80,150**	5,988	5,366	5,677	**83,100**	**83,150**	6,236	5,614	5,925	**86,100**	**86,150**	6,483	5,861	6,172
80,150	**80,200**	5,992	5,370	5,681	**83,150**	**83,200**	6,240	5,618	5,929	**86,150**	**86,200**	6,487	5,865	6,176
80,200	**80,250**	5,997	5,375	5,686	**83,200**	**83,250**	6,244	5,622	5,933	**86,200**	**86,250**	6,492	5,870	6,181
80,250	**80,300**	6,001	5,379	5,690	**83,250**	**83,300**	6,248	5,626	5,937	**86,250**	**86,300**	6,496	5,874	6,185
80,300	**80,350**	6,005	5,383	5,694	**83,300**	**83,350**	6,252	5,630	5,941	**86,300**	**86,350**	6,500	5,878	6,189
80,350	**80,400**	6,009	5,387	5,698	**83,350**	**83,400**	6,256	5,634	5,945	**86,350**	**86,400**	6,504	5,882	6,193
80,400	**80,450**	6,013	5,391	5,702	**83,400**	**83,450**	6,261	5,639	5,950	**86,400**	**86,450**	6,508	5,886	6,197
80,450	**80,500**	6,017	5,395	5,706	**83,450**	**83,500**	6,265	5,643	5,954	**86,450**	**86,500**	6,512	5,890	6,201
80,500	**80,550**	6,021	5,399	5,710	**83,500**	**83,550**	6,269	5,647	5,958	**86,500**	**86,550**	6,516	5,894	6,205
80,550	**80,600**	6,025	5,403	5,714	**83,550**	**83,600**	6,273	5,651	5,962	**86,550**	**86,600**	6,520	5,898	6,209
80,600	**80,650**	6,030	5,408	5,719	**83,600**	**83,650**	6,277	5,655	5,966	**86,600**	**86,650**	6,525	5,903	6,214
80,650	**80,700**	6,034	5,412	5,723	**83,650**	**83,700**	6,281	5,659	5,970	**86,650**	**86,700**	6,529	5,907	6,218
80,700	**80,750**	6,038	5,416	5,727	**83,700**	**83,750**	6,285	5,663	5,974	**86,700**	**86,750**	6,533	5,911	6,222
80,750	**80,800**	6,042	5,420	5,731	**83,750**	**83,800**	6,289	5,667	5,978	**86,750**	**86,800**	6,537	5,915	6,226
80,800	**80,850**	6,046	5,424	5,735	**83,800**	**83,850**	6,294	5,672	5,983	**86,800**	**86,850**	6,541	5,919	6,230
80,850	**80,900**	6,050	5,428	5,739	**83,850**	**83,900**	6,298	5,676	5,987	**86,850**	**86,900**	6,545	5,923	6,234
80,900	**80,950**	6,054	5,432	5,743	**83,900**	**83,950**	6,302	5,680	5,991	**86,900**	**86,950**	6,549	5,927	6,238
80,950	**81,000**	6,058	5,436	5,747	**83,950**	**84,000**	6,306	5,684	5,995	**86,950**	**87,000**	6,553	5,931	6,242
81,000					**84,000**					**87,000**				
81,000	**81,050**	6,063	5,441	5,752	**84,000**	**84,050**	6,310	5,688	5,999	**87,000**	**87,050**	6,558	5,936	6,247
81,050	**81,100**	6,067	5,445	5,756	**84,050**	**84,100**	6,314	5,692	6,003	**87,050**	**87,100**	6,562	5,940	6,251
81,100	**81,150**	6,071	5,449	5,760	**84,100**	**84,150**	6,318	5,696	6,007	**87,100**	**87,150**	6,566	5,944	6,255
81,150	**81,200**	6,075	5,453	5,764	**84,150**	**84,200**	6,322	5,700	6,011	**87,150**	**87,200**	6,570	5,948	6,259
81,200	**81,250**	6,079	5,457	5,768	**84,200**	**84,250**	6,327	5,705	6,016	**87,200**	**87,250**	6,574	5,952	6,263
81,250	**81,300**	6,083	5,461	5,772	**84,250**	**84,300**	6,331	5,709	6,020	**87,250**	**87,300**	6,578	5,956	6,267
81,300	**81,350**	6,087	5,465	5,776	**84,300**	**84,350**	6,335	5,713	6,024	**87,300**	**87,350**	6,582	5,960	6,271
81,350	**81,400**	6,091	5,469	5,780	**84,350**	**84,400**	6,339	5,717	6,028	**87,350**	**87,400**	6,586	5,964	6,275
81,400	**81,450**	6,096	5,474	5,785	**84,400**	**84,450**	6,343	5,721	6,032	**87,400**	**87,450**	6,591	5,969	6,280
81,450	**81,500**	6,100	5,478	5,789	**84,450**	**84,500**	6,347	5,725	6,036	**87,450**	**87,500**	6,595	5,973	6,284
81,500	**81,550**	6,104	5,482	5,793	**84,500**	**84,550**	6,351	5,729	6,040	**87,500**	**87,550**	6,599	5,977	6,288
81,550	**81,600**	6,108	5,486	5,797	**84,550**	**84,600**	6,355	5,733	6,044	**87,550**	**87,600**	6,603	5,981	6,292
81,600	**81,650**	6,112	5,490	5,801	**84,600**	**84,650**	6,360	5,738	6,049	**87,600**	**87,650**	6,607	5,985	6,296
81,650	**81,700**	6,116	5,494	5,805	**84,650**	**84,700**	6,364	5,742	6,053	**87,650**	**87,700**	6,611	5,989	6,300
81,700	**81,750**	6,120	5,498	5,809	**84,700**	**84,750**	6,368	5,746	6,057	**87,700**	**87,750**	6,615	5,993	6,304
81,750	**81,800**	6,124	5,502	5,813	**84,750**	**84,800**	6,372	5,750	6,061	**87,750**	**87,800**	6,619	5,997	6,308
81,800	**81,850**	6,129	5,507	5,818	**84,800**	**84,850**	6,376	5,754	6,065	**87,800**	**87,850**	6,624	6,002	6,313
81,850	**81,900**	6,133	5,511	5,822	**84,850**	**84,900**	6,380	5,758	6,069	**87,850**	**87,900**	6,628	6,006	6,317
81,900	**81,950**	6,137	5,515	5,826	**84,900**	**84,950**	6,384	5,762	6,073	**87,900**	**87,950**	6,632	6,010	6,321
81,950	**82,000**	6,141	5,519	5,830	**84,950**	**85,000**	6,388	5,766	6,077	**87,950**	**88,000**	6,636	6,014	6,325

*This column must also be used by qualifying widow(er)

Continued on next page

2005 Hawaii Tax Table (Continued)

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
88,000				
88,000	**88,050**	6,640	6,018	6,329
88,050	**88,100**	6,644	6,022	6,333
88,100	**88,150**	6,648	6,026	6,337
88,150	**88,200**	6,652	6,030	6,341
88,200	**88,250**	6,657	6,035	6,346
88,250	**88,300**	6,661	6,039	6,350
88,300	**88,350**	6,665	6,043	6,354
88,350	**88,400**	6,669	6,047	6,358
88,400	**88,450**	6,673	6,051	6,362
88,450	**88,500**	6,677	6,055	6,366
88,500	**88,550**	6,681	6,059	6,370
88,550	**88,600**	6,685	6,063	6,374
88,600	**88,650**	6,690	6,068	6,379
88,650	**88,700**	6,694	6,072	6,383
88,700	**88,750**	6,698	6,076	6,387
88,750	**88,800**	6,702	6,080	6,391
88,800	**88,850**	6,706	6,084	6,395
88,850	**88,900**	6,710	6,088	6,399
88,900	**88,950**	6,714	6,092	6,403
88,950	**89,000**	6,718	6,096	6,407
89,000				
89,000	**89,050**	6,723	6,101	6,412
89,050	**89,100**	6,727	6,105	6,416
89,100	**89,150**	6,731	6,109	6,420
89,150	**89,200**	6,735	6,113	6,424
89,200	**89,250**	6,739	6,117	6,428
89,250	**89,300**	6,743	6,121	6,432
89,300	**89,350**	6,747	6,125	6,436
89,350	**89,400**	6,751	6,129	6,440
89,400	**89,450**	6,756	6,134	6,445
89,450	**89,500**	6,760	6,138	6,449
89,500	**89,550**	6,764	6,142	6,453
89,550	**89,600**	6,768	6,146	6,457
89,600	**89,650**	6,772	6,150	6,461
89,650	**89,700**	6,776	6,154	6,465
89,700	**89,750**	6,780	6,158	6,469
89,750	**89,800**	6,784	6,162	6,473
89,800	**89,850**	6,789	6,167	6,478
89,850	**89,900**	6,793	6,171	6,482
89,900	**89,950**	6,797	6,175	6,486
89,950	**90,000**	6,801	6,179	6,490
90,000				
90,000	**90,050**	6,805	6,183	6,494
90,050	**90,100**	6,809	6,187	6,498
90,100	**90,150**	6,813	6,191	6,502
90,150	**90,200**	6,817	6,195	6,506
90,200	**90,250**	6,822	6,200	6,511
90,250	**90,300**	6,826	6,204	6,515
90,300	**90,350**	6,830	6,208	6,519
90,350	**90,400**	6,834	6,212	6,523
90,400	**90,450**	6,838	6,216	6,527
90,450	**90,500**	6,842	6,220	6,531
90,500	**90,550**	6,846	6,224	6,535
90,550	**90,600**	6,850	6,228	6,539
90,600	**90,650**	6,855	6,233	6,544
90,650	**90,700**	6,859	6,237	6,548
90,700	**90,750**	6,863	6,241	6,552
90,750	**90,800**	6,867	6,245	6,556
90,800	**90,850**	6,871	6,249	6,560
90,850	**90,900**	6,875	6,253	6,564
90,900	**90,950**	6,879	6,257	6,568
90,950	**91,000**	6,883	6,261	6,572

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
91,000				
91,000	**91,050**	6,888	6,266	6,577
91,050	**91,100**	6,892	6,270	6,581
91,100	**91,150**	6,896	6,274	6,585
91,150	**91,200**	6,900	6,278	6,589
91,200	**91,250**	6,904	6,282	6,593
91,250	**91,300**	6,908	6,286	6,597
91,300	**91,350**	6,912	6,290	6,601
91,350	**91,400**	6,916	6,294	6,605
91,400	**91,450**	6,921	6,299	6,610
91,450	**91,500**	6,925	6,303	6,614
91,500	**91,550**	6,929	6,307	6,618
91,550	**91,600**	6,933	6,311	6,622
91,600	**91,650**	6,937	6,315	6,626
91,650	**91,700**	6,941	6,319	6,630
91,700	**91,750**	6,945	6,323	6,634
91,750	**91,800**	6,949	6,327	6,638
91,800	**91,850**	6,954	6,332	6,643
91,850	**91,900**	6,958	6,336	6,647
91,900	**91,950**	6,962	6,340	6,651
91,950	**92,000**	6,966	6,344	6,655
92,000				
92,000	**92,050**	6,970	6,348	6,659
92,050	**92,100**	6,974	6,352	6,663
92,100	**92,150**	6,978	6,356	6,667
92,150	**92,200**	6,982	6,360	6,671
92,200	**92,250**	6,987	6,365	6,676
92,250	**92,300**	6,991	6,369	6,680
92,300	**92,350**	6,995	6,373	6,684
92,350	**92,400**	6,999	6,377	6,688
92,400	**92,450**	7,003	6,381	6,692
92,450	**92,500**	7,007	6,385	6,696
92,500	**92,550**	7,011	6,389	6,700
92,550	**92,600**	7,015	6,393	6,704
92,600	**92,650**	7,020	6,398	6,709
92,650	**92,700**	7,024	6,402	6,713
92,700	**92,750**	7,028	6,406	6,717
92,750	**92,800**	7,032	6,410	6,721
92,800	**92,850**	7,036	6,414	6,725
92,850	**92,900**	7,040	6,418	6,729
92,900	**92,950**	7,044	6,422	6,733
92,950	**93,000**	7,048	6,426	6,737
93,000				
93,000	**93,050**	7,053	6,431	6,742
93,050	**93,100**	7,057	6,435	6,746
93,100	**93,150**	7,061	6,439	6,750
93,150	**93,200**	7,065	6,443	6,754
93,200	**93,250**	7,069	6,447	6,758
93,250	**93,300**	7,073	6,451	6,762
93,300	**93,350**	7,077	6,455	6,766
93,350	**93,400**	7,081	6,459	6,770
93,400	**93,450**	7,086	6,464	6,775
93,450	**93,500**	7,090	6,468	6,779
93,500	**93,550**	7,094	6,472	6,783
93,550	**93,600**	7,098	6,476	6,787
93,600	**93,650**	7,102	6,480	6,791
93,650	**93,700**	7,106	6,484	6,795
93,700	**93,750**	7,110	6,488	6,799
93,750	**93,800**	7,114	6,492	6,803
93,800	**93,850**	7,119	6,497	6,808
93,850	**93,900**	7,123	6,501	6,812
93,900	**93,950**	7,127	6,505	6,816
93,950	**94,000**	7,131	6,509	6,820

If line 43 (taxable income) is — At least	But less than	And you are — Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —		
94,000				
94,000	**94,050**	7,135	6,513	6,824
94,050	**94,100**	7,139	6,517	6,828
94,100	**94,150**	7,143	6,521	6,832
94,150	**94,200**	7,147	6,525	6,836
94,200	**94,250**	7,152	6,530	6,841
94,250	**94,300**	7,156	6,534	6,845
94,300	**94,350**	7,160	6,538	6,849
94,350	**94,400**	7,164	6,542	6,853
94,400	**94,450**	7,168	6,546	6,857
94,450	**94,500**	7,172	6,550	6,861
94,500	**94,550**	7,176	6,554	6,865
94,550	**94,600**	7,180	6,558	6,869
94,600	**94,650**	7,185	6,563	6,874
94,650	**94,700**	7,189	6,567	6,878
94,700	**94,750**	7,193	6,571	6,882
94,750	**94,800**	7,197	6,575	6,886
94,800	**94,850**	7,201	6,579	6,890
94,850	**94,900**	7,205	6,583	6,894
94,900	**94,950**	7,209	6,587	6,898
94,950	**95,000**	7,213	6,591	6,902
95,000				
95,000	**95,050**	7,218	6,596	6,907
95,050	**95,100**	7,222	6,600	6,911
95,100	**95,150**	7,226	6,604	6,915
95,150	**95,200**	7,230	6,608	6,919
95,200	**95,250**	7,234	6,612	6,923
95,250	**95,300**	7,238	6,616	6,927
95,300	**95,350**	7,242	6,620	6,931
95,350	**95,400**	7,246	6,624	6,935
95,400	**95,450**	7,251	6,629	6,940
95,450	**95,500**	7,255	6,633	6,944
95,500	**95,550**	7,259	6,637	6,948
95,550	**95,600**	7,263	6,641	6,952
95,600	**95,650**	7,267	6,645	6,956
95,650	**95,700**	7,271	6,649	6,960
95,700	**95,750**	7,275	6,653	6,964
95,750	**95,800**	7,279	6,657	6,968
95,800	**95,850**	7,284	6,662	6,973
95,850	**95,900**	7,288	6,666	6,977
95,900	**95,950**	7,292	6,670	6,981
95,950	**96,000**	7,296	6,674	6,985
96,000				
96,000	**96,050**	7,300	6,678	6,989
96,050	**96,100**	7,304	6,682	6,993
96,100	**96,150**	7,308	6,686	6,997
96,150	**96,200**	7,312	6,690	7,001
96,200	**96,250**	7,317	6,695	7,006
96,250	**96,300**	7,321	6,699	7,010
96,300	**96,350**	7,325	6,703	7,014
96,350	**96,400**	7,329	6,707	7,018
96,400	**96,450**	7,333	6,711	7,022
96,450	**96,500**	7,337	6,715	7,026
96,500	**96,550**	7,341	6,719	7,030
96,550	**96,600**	7,345	6,723	7,034
96,600	**96,650**	7,350	6,728	7,039
96,650	**96,700**	7,354	6,732	7,043
96,700	**96,750**	7,358	6,736	7,047
96,750	**96,800**	7,362	6,740	7,051
96,800	**96,850**	7,366	6,744	7,055
96,850	**96,900**	7,370	6,748	7,059
96,900	**96,950**	7,374	6,752	7,063
96,950	**97,000**	7,378	6,756	7,067

*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 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 —		
97,000					**98,000**					**99,000**				
97,000	**97,050**	7,383	6,761	7,072	**98,000**	**98,050**	7,465	6,843	7,154	**99,000**	**99,050**	7,548	6,926	7,237
97,050	**97,100**	7,387	6,765	7,076	**98,050**	**98,100**	7,469	6,847	7,158	**99,050**	**99,100**	7,552	6,930	7,241
97,100	**97,150**	7,391	6,769	7,080	**98,100**	**98,150**	7,473	6,851	7,162	**99,100**	**99,150**	7,556	6,934	7,245
97,150	**97,200**	7,395	6,773	7,084	**98,150**	**98,200**	7,477	6,855	7,166	**99,150**	**99,200**	7,560	6,938	7,249
97,200	**97,250**	7,399	6,777	7,088	**98,200**	**98,250**	7,482	6,860	7,171	**99,200**	**99,250**	7,564	6,942	7,253
97,250	**97,300**	7,403	6,781	7,092	**98,250**	**98,300**	7,486	6,864	7,175	**99,250**	**99,300**	7,568	6,946	7,257
97,300	**97,350**	7,407	6,785	7,096	**98,300**	**98,350**	7,490	6,868	7,179	**99,300**	**99,350**	7,572	6,950	7,261
97,350	**97,400**	7,411	6,789	7,100	**98,350**	**98,400**	7,494	6,872	7,183	**99,350**	**99,400**	7,576	6,954	7,265
97,400	**97,450**	7,416	6,794	7,105	**98,400**	**98,450**	7,498	6,876	7,187	**99,400**	**99,450**	7,581	6,959	7,270
97,450	**97,500**	7,420	6,798	7,109	**98,450**	**98,500**	7,502	6,880	7,191	**99,450**	**99,500**	7,585	6,963	7,274
97,500	**97,550**	7,424	6,802	7,113	**98,500**	**98,550**	7,506	6,884	7,195	**99,500**	**99,550**	7,589	6,967	7,278
97,550	**97,600**	7,428	6,806	7,117	**98,550**	**98,600**	7,510	6,888	7,199	**99,550**	**99,600**	7,593	6,971	7,282
97,600	**97,650**	7,432	6,810	7,121	**98,600**	**98,650**	7,515	6,893	7,204	**99,600**	**99,650**	7,597	6,975	7,286
97,650	**97,700**	7,436	6,814	7,125	**98,650**	**98,700**	7,519	6,897	7,208	**99,650**	**99,700**	7,601	6,979	7,290
97,700	**97,750**	7,440	6,818	7,129	**98,700**	**98,750**	7,523	6,901	7,212	**99,700**	**99,750**	7,605	6,983	7,294
97,750	**97,800**	7,444	6,822	7,133	**98,750**	**98,800**	7,527	6,905	7,216	**99,750**	**99,800**	7,609	6,987	7,298
97,800	**97,850**	7,449	6,827	7,138	**98,800**	**98,850**	7,531	6,909	7,220	**99,800**	**99,850**	7,614	6,992	7,303
97,850	**97,900**	7,453	6,831	7,142	**98,850**	**98,900**	7,535	6,913	7,224	**99,850**	**99,900**	7,618	6,996	7,307
97,900	**97,950**	7,457	6,835	7,146	**98,900**	**98,950**	7,539	6,917	7,228	**99,900**	**99,950**	7,622	7,000	7,311
97,950	**98,000**	7,461	6,839	7,150	**98,950**	**99,000**	7,543	6,921	7,232	**99,950**	**100,000**	7,626	7,004	7,315

100,000 OR OVER —
You MUST use the tax rate schedules

*This column must also be used by qualifying widow(er)

2005 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 Form N-15, Line 43 is:	Your tax is:
Not over $2,000	1.40% of taxable income
Over $2,000 but not over $4,000	$ 28 plus 3.20% over $2,000
Over $4,000 but not over $8,000	$ 92 plus 5.50% over $4,000
Over $8,000 but not over $12,000	$ 312 plus 6.40% over $8,000
Over $12,000 but not over $16,000	$ 568 plus 6.80% over $12,000
Over $16,000 but not over $20,000	$ 840 plus 7.20% over $16,000
Over $20,000 but not over $30,000	$ 1,128 plus 7.60% over $20,000
Over $30,000 but not over $40,000	$ 1,888 plus 7.90% over $30,000
Over $40,000	$ 2,678 plus 8.25% over $40,000

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 Form N-15, Line 43 is:	Your tax is:
Not over $4,000	1.40% of taxable income
Over $4,000 but not over $8,000	$ 56 plus 3.20% over $4,000
Over $8,000 but not over $16,000	$ 184 plus 5.50% over $8,000
Over $16,000 but not over $24,000	$ 624 plus 6.40% over $16,000
Over $24,000 but not over $32,000	$ 1,136 plus 6.80% over $24,000
Over $32,000 but not over $40,000	$ 1,680 plus 7.20% over $32,000
Over $40,000 but not over $60,000	$ 2,256 plus 7.60% over $40,000
Over $60,000 but not over $80,000	$ 3,776 plus 7.90% over $60,000
Over $80,000	$ 5,356 plus 8.25% over $80,000

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 Form N-15, Line 43 is:	Your tax is:
Not over $3,000	1.40% of taxable income
Over $3,000 but not over $6,000	$ 42 plus 3.20% over $3,000
Over $6,000 but not over $12,000	$ 138 plus 5.50% over $6,000
Over $12,000 but not over $18,000	$ 468 plus 6.40% over $12,000
Over $18,000 but not over $24,000	$ 852 plus 6.80% over $18,000
Over $24,000 but not over $30,000	$ 1,260 plus 7.20% over $24,000
Over $30,000 but not over $45,000	$ 1,692 plus 7.60% over $30,000
Over $45,000 but not over $60,000	$ 2,832 plus 7.90% over $45,000
Over $60,000	$ 4,017 plus 8.25% over $60,000

Linda Lingle
Governor

STATE OF HAWAII—DEPARTMENT OF TAXATION

HAWAII TAXPAYER BILL OF RIGHTS

Kurt Kawafuchi
Director of Taxation

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 as taxpayers 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 Hawaii Supreme 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 Hawaii Supreme 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 be assessed on the outstanding tax liability until it is 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 wilful 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 posted to the Department's website for 5-calendar days.

XI. Collections

Taxpayers have a right to be informed in writing 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.

Taxpayers have a right to expect 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.

(This is a reproduction of the originally issued document.)

Index to Instructions

A Page

Abandoned Spouse 8
Address Change 32
Address of Department of Taxation 6
Adjustments to Income 17-19
Alimony —
  Paid 18
  Received 12
Amended Return 32
Annuities 14
Attachments to Return 31

B

Balance Due (or Refund) 30
Bartering 11
Birth or Death of Dependent 10
Blind, Deaf, or Totally
  Disabled Person 25
Business Income 12
Business Use of Your Home 24

C

Capital Gain Distributions 13
Capital Gains and Losses 13
Casualty and Theft Losses 23
Change in Federal Taxable Income 32
Changes for 2005 2
Child and Dependent Care Expenses —
  Credit for 34-36
Composite tax returns and payments 6
Contributions to Charity 22
Credits Against Tax ....26-30 and 32-36

D

Death of Taxpayer 6
Dependents — Exemptions 9
Disability — Exemption 25
Dividends, Other Distributions 12
Divorced or Separated Parents 9
Domicile Defined 5

E

Educational Expenses 24
Employee Business Expenses 23
Estimated Tax ....6 and 28
Exemptions ....8-10 and 25

F

Filing Requirements —
  Extension of Time to File 5
  When to File 5
  Where to File 6
  Which Form to File 5
  Who Must File 4
  Who Should File 4
Filing Status 7
Forms 3

H

Hawaii Taxpayer Bill of Rights 55
Head of Household 8
Health Savings Accounts 17

H Page

Highlights for 2005
  (Changes and Important Reminders) 2

I

Income Tax Withholding 28
Income —
  Not To Be Reported 10
  To Be Reported 10
Individual Housing Accounts —
  Distributions From 16
  Payments To 18
  Tax Liability upon sale or transfer 16
Individual Retirement
  Arrangements (IRA) 17
Interest Expense 21
Interest Income 11
Interest — Late Payment of Tax 32
Interest — Penalty on Early Withdrawal
  of Savings 18
Itemized Deductions —
  You Choose to Itemize Deductions 19
  You MUST Itemize Deductions 19

K

Keogh Plan (HR-10) 18

M

Married Persons —
  Joint or Separate Returns 7
  Married Persons Who Live Apart
    (and Abandoned Spouses) 8
  Special Rule for Aliens 8
Medical and Dental Expenses 20
Miscellaneous Itemized Deductions 23
Moving Expenses 17
Multistate Tax Compact Act 6

N

Net Operating Loss ....16 and 19
Nonresident 4
Nonresident Alien —
  Filing a Joint Return 8
  Who Must File 4
Nontaxable Income (Examples) 10

O

Other Income 16

P

Payments (Amount You Owe) 30
Penalty
  — Late Filing 31
  — Underpayment of
    Estimated Tax 32
Pensions and Annuities 14
Political Campaigns- Hawaii Election
  $2 Check-off 31
Preparer — Did You Have Someone Else
  Prepare Your Return? 31

Q Page

Qualified Tuition Programs 16

R

Records — How Long to Keep 32
Refund (or Balance Due) 30
Reminders 31
Rent — Income 15
Residence, Sale of 14
Resident 4
Retirement Plan Payments 14
Rounding Off to Whole Dollars 11

S

Sale of Your Home 14
Social Security Number 7
Steps for Preparing Your Return ...6-10 and 31
Student Dependent-Exemption 9

T

Tax —
  Computation 25
  Other Methods of Computing 25
  Other —
    Accumulation Distributions of
      Trusts 40
    Computation of Tax for Children
      Under Age 14 Who Have Investment
      Income of More Than $1,000 25
    Distribution from an Individual
      Housing Account 16
    Lump-Sum Distributions 40
    Parent's Election to Report Child's
      Interest and Dividends 40
    Recapture of Capital Goods
      Excise Tax Credit 40
    Recapture of High Technology
      Business Investment Tax Credit 40
    Recapture of Low-Income
      Housing Tax Credit 40
    Sale of Your Home Purchased with
      proceeds from an Individual
      Housing Account 16
Tax Credits ....26-30 and 32-36
Tax Rate Schedules 54
Tax Table 42-53
Taxable Income (Examples) 10
Taxes You Can Deduct 21
Tip Income 11

U

Unemployment Compensation 15

W

When to File 5
Where to File 6
Where to Get Information 6
Which Form to File 5
Who Must File 4
Who Should File 4
Widows and Widowers, Qualifying 8
Winnings — Prizes, Gambling and
  Lotteries (Other Income) 16
Withholding — Hawaii Tax 28
Worksheets 37-41