

STATE OF HAWAII — DEPARTMENT OF TAXATION  
**INSTRUCTIONS FOR FORM N-172**  
CLAIM FOR TAX EXEMPTION BY PERSON WITH IMPAIRED SIGHT  
OR HEARING OR BY TOTALLY DISABLED PERSON  
AND PHYSICIAN'S CERTIFICATION

## GENERAL INSTRUCTIONS

**Purpose of Form N-172** — Use Part I of Form N-172 to notify the Department of Taxation that you qualify to claim the special exemptions for persons with impaired sight or hearing or persons who are totally disabled. Part II of Form N-172 is used to certify blindness, deafness, or disability for tax purposes. Copies of Form N-172 should be retained by the taxpayer claiming the exemption and the physician, optometrist, etc., certifying the blindness, deafness, or disability. For real property tax purposes, contact the Real Property Assessment Division of the county in which the property is located.

**Telephone Service for the Hearing Impaired** — Telephone service for the hearing impaired (TDD/TTY) is available through the Oahu Taxpayer Services Branch at 808-587-1418 or toll-free at 1-800-887-8974.

**Applicant's Social Security Number** — The Internal Revenue Service (IRS) issues Individual Taxpayer Identification Numbers (ITINs) to certain aliens who are required to have a U. S. taxpayer identification number but who do not have, and are not eligible to obtain, a social security number. For Hawaii income tax purposes, the ITIN issued by the IRS for these individuals must be used as the individual's identification number.

**Signatures Required** — Form N-172 must be signed by both the taxpayer-claimant (on the front of the form) and by the certifying physician, optometrist, audiologist etc. (on the back of the form). Forms that are not signed are incomplete and will not be processed.

## DEFINITIONS

**'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 twenty degrees.

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**'Deaf'** means a person whose average loss in the speech frequencies (500-2000 Hertz) in the better ear is eighty-two decibels, A.S.A., or worse.

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PLEASE NOTE: For purposes of impairment certification, a qualified ophthalmologist, optometrist, or otolaryngologist may be licensed to practice in any state or a commissioned medical officer in the armed forces. Hearing impairment may be certified by an audiologist licensed under chapter 468E, Hawaii Revised Statutes (HRS).

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**'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. (Section 235-1, HRS). The disability of a person claiming to be totally disabled must be certified to in a three step process. First, there must be a medical determination that the person is totally disabled, either physically or mentally. Second, the disability must be permanent. This means that at the time of certification the disability can be expected to result in

death or has lasted or can be expected to last for a continuous period of not less than 12 months. The 12 month requirement is inapplicable when the disability is determined to be a terminal state or where it does actually result in death. Third, there must be a determination that the permanent and total disability results in the person's inability to engage in any substantial gainful business or occupation. Substantial gainful business or occupation shall be determined by the measure of a totally and permanently disabled person's earned income. It shall be presumed that an individual whose earned income is greater than \$30,000 for the taxable year is engaged in a substantial gainful business or occupation.

The disability shall be certified to by a physician licensed under chapter 453 or 460, or both, (2) a qualified out-of-state physician who is currently licensed to practice in the state in which the physician resides, or (3) a commissioned medical officer in the United States Army, Navy, Marine Corps, or Public Health Service, engaged in the discharge of one's official duty. Certification shall be on forms prescribed by the Department of Taxation. (Section 235-1, HRS). See Tax Information Releases No. 89-3 and 94-2 for more information.

Corporations, partnerships, or limited liability companies all of whose shareholders, partners, or members are blind, deaf, or totally disabled may also qualify for general excise tax benefits. The entity's information should be completed on each shareholder's, partner's, or member's certification form.

## **HOW AND WHERE TO FILE**

Submit the original and one copy of Form N-172 to the Hawaii Department of Taxation, P.O. Box 259, Honolulu, HI 96809-0259. Corporations, partnerships, or limited liability companies all of whose shareholders, partners, or members are blind, deaf, or totally disabled are to submit all Forms N-172 at one time.

If you are submitting Form N-172 in response to having received a Department of Taxation adjustment letter denying the disability exemption because no exemption is on file, please send a copy of the adjustment letter along with the Form N-172 to the address shown above.

## **TAX BENEFITS**

For information on tax benefits provided under the General Excise Tax and/or Income Tax Laws, refer to Tax Information Release Nos. 89-3 and 94-2.