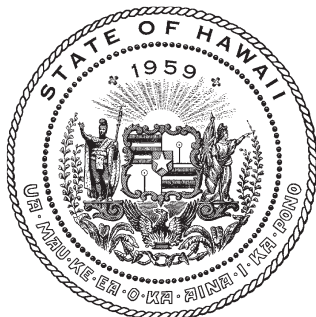


**STATE OF HAWAII
DEPARTMENT OF TAXATION**



**General Information
and Scannable Specifications
for
Form N-362 (2023)**

Contact Information for General Questions

Hawaii Department of Taxation
Technical Section
Attn: Sharlene Tagami, Forms Coordinator
830 Punchbowl Street, Rm 126
Honolulu, Hawaii 96813

Telephone: (808) 587-1577
Fax: (808) 587-1584
E-mail: Tax.Technical.Section@hawaii.gov

**Contact Information for Mailing
Test Packages and Testing Inquiries**

Hawaii Department of Taxation
Attn: Document Processing — Quality
Assurance Test Team
830 Punchbowl Street, Rm 126
Honolulu, Hawaii 96813

Email: tax.dp.qa@hawaii.gov

Note: Reproduced forms must meet the requirements as established in this document and our current Forms Reproduction Policy.

FORM N-362 (2023)

General Information and Scannable Specifications

This document provides software vendors with the requirements for reproducing Form N-362. Form N-362 is designed for electronic scanning that permits faster processing with fewer errors. Software developers who reproduce, develop, or distribute Form N-362 must create the form so the variable data (specified fields containing taxpayer information) are printed in a fixed format that can

be read by the Department's IBML scanners. A 2D QR code must be present on each page of the form.

Substitute scannable forms **MUST** meet the requirements as established in this document and our current Forms Reproduction Policy, and be approved prior to release or distribution.

GENERAL INFORMATION

1. Substitute Form

- We highly recommend you use the Department's official Form N-362 PDF.
- If you do not use the Department's official PDF, the substitute form must match the Department's form in layout and appearance including **bold** and/or *italics* fonts as they appear on the official form.
- Lines of text in a paragraph must break at the same location as the official form.
- All forms and variable data must have a high standard of legibility for printing.
- Photocopies of the scannable form must not be submitted to the Department for processing.
- Substitute scannable forms must be proofread prior to submission.

2. Paper and Ink

- The paper size is 8.5 inches by 11 inches, the same size as the Department's original form. The paper weight must be at least 20 pound white bond and the page orientation is portrait.
- Black ink should be used in printing the text on the form and the variable data.

3. Fonts

- The form was designed using the following font:
 1. Arial
- The following fonts and sizes should be used for the form number and revision year located at the top left corner on page 1 of the form:
 1. FORM: 9 pt Arial bold
 2. N-362: 14 pt Arial bold
 3. 2023: 9 pt Arial bold
- The following font and size should be used for the form number located at the bottom right corner of the form:
 1. FORM N-362 (2023): 10 pt Arial bold

4. Variable Data

- All variable data fields must utilize 12 pt Courier New font.
- All variable data fields require exact placement.
- Print all alpha characters uppercase.
- Use a bold X (**X**) as a checkbox. See exhibit for exact placement. The use of a checkmark is not acceptable.

5. Variable Data Delimiters

- Taxpayer's Federal Employer Identification Number must be printed with a dash (-) delimiter. For example:
12-1234567
(2 digits, followed by a dash (-), followed by 7 digits).
- Taxpayer's Social Security Number must be printed with the dash (-) delimiters. For example:
123-45-6789
(3 digits, followed by a dash (-), followed by 2 digits, followed by a dash (-), followed by 4 digits)

6. Dollar Amounts

999999999

- Do not use commas as thousand separators.
- Do not use leading dollar signs.
- Amounts are right justified.
- Amounts must be rounded. Dollar and cent signs should not be used when the field is rounded to whole dollars.

7. Testing and Approval of the Scannable Form

- A minimum of 5 hardcopy test samples must be provided to ensure proper testing including 1 hardcopy test sample that contains all maximized fields (one alpha "X" or numeric "9" character space with no leading or trailing spaces).
- Test samples must be originals. Photocopies, fax submissions, etc. will not be accepted.
- Test samples must be populated with unique sample variable data showing different scenarios.

General Information and Scannable Specifications

- It will require 1 to 2 weeks, upon receipt by the Department, to verify the accuracy of the submitted sample.
- Approval of the facsimile must be obtained from the Department **prior** to filing.
- Form N-362 (2023) cannot be filed until 2024.

SCANNABLE SPECIFICATIONS**1. Layout**

- Open space around variable data fields should be adhered to as much as possible except for the areas that do not require optical character recognition. Do not place any additional information in these areas.

2. Hawaii Vendor I.D. Number

- Print your 2-digit Hawaii Vendor I.D. Number following the "ID NO" label at the following position:
 1. Page 1: The 2-digit Hawaii Vendor I.D. Number should begin at column 42, row 64.
- The Hawaii Vendor I.D. Number must utilize 12 pt Courier New font.

3. QR code

- A QR code is specific to the form. The property of the 2D symbology QR code is measured in CM.
- Placement of the QR code is as follows (see exhibit for exact placement):
 1. Page 1: The left bottom corner of the QR code is at the beginning of column 6 and at the bottom of row 10.
- Height of the QR code is 0.5 inch.
- Length of the QR code is 0.5 inch.
- Narrow Module Size is set to 0.18.
- Margin is set to 0.18.
- Open space surrounding the QR code should be adhered to as much as possible.
- DO NOT stretch the QR code image.
- The required QR code for page 1 is:
N362_T 2023A 01 VIDXX

The QR code includes the form number (N362), an underscore, type of form (T), space, 4-digit form year (2023), 1-letter revision indicator (A), space, 2-digit page number (01), space, vendor I.D. label (VID), and your 2-digit Hawaii Vendor I.D. Number (XX). There are no hyphens.

- The human readable text for the QR code must be printed below the QR code at column 6, row 11, utilizing 6 pt Arial font (see exhibits for exact placement).
- Please do not print the outline around the human readable text and QR code. The outline is used to show the placement of the human readable text and QR code.
- DO NOT use Windows Metafile Format (wmf). This format causes a very low read rate by the Department's IBML scanners.

4. Form Serial Number

- The form serial number **MUST** be printed at column 6, row 64, utilizing 12 pt Courier New font.
- The required form serial number for page 1 is:
N362H7V9

5. Acetate Overlays

- Acetate overlays will assist in the exact data field placement. Verify your form samples with the overlays prior to submitting them for testing. If the samples do not match the overlays within 1/16 inch, do not submit them for approval as they will be rejected.
- Acetate overlays will be mailed to vendors who submitted a Letter of Intent to participate in the Forms Reproduction Program and who will be reproducing Form N-362. If you did not receive the acetate overlays, please contact the Forms Coordinator.

STATE OF HAWAII — DEPARTMENT OF TAXATION
PASS-THROUGH ENTITY TAX CREDIT

Place QR Code Here

See Instructions on back
Attach to Schedule CR

Human Readable text here

Additional Form(s) N-362 attached

Name(s) as shown on tax return SSN(s) or FEIN
NAME(S) AS SHOWN ON TAX RETURN XXXXXXXXXXXXXXXXXXXXXXXXXXXX 9999999999

Part I PTE TAX CREDIT AMOUNT

Table with 3 columns: Column (a) Electing qualified pass-through entity (PTE) name, Column (b) Entity identification number (FEIN), Column (c) PTE elective tax credit(s). Rows 1-10 show entities A through J.

2. Total PTE Tax Credit Amount.

Add all amounts in column (c) and enter total here..... 2 9999999999999999

Part II COMPUTATION OF TAX CREDIT

Table for computation of tax credit with 2 columns: Description, Amount. Rows 3-6: Adjusted Tax Liability, Other nonrefundable credits, Line 3 minus line 4, Total Credit Applied.

Note: Form N-20 and N-35 filers, enter the amount on line 6 on the appropriate lines of Form N-20, Schedule K or Form N-35, Schedule K. Form N-40 filers, see the instructions.

CHANGES YOU SHOULD NOTE

Act 50, Session Laws of Hawaii 2023 - The Pass-Through Entity (PTE) Tax Credit allows partnerships and S corporations to annually elect to pay Hawaii income taxes at the entity level. Eligible members of an electing PTE may claim a nonrefundable income tax credit for their pro rata share of PTE taxes paid by the entity. Effective for taxable years beginning after December 31, 2022.

GENERAL INSTRUCTIONS

The PTE tax credit is a nonrefundable income tax credit claimed on the taxpayer's income tax return against the net tax liability for the taxable year.

Any unused portion of the tax credit claimed against the taxpayer's net income tax liability for the taxable year cannot be carried forward or refunded to the taxpayer.

Purpose of Form

Use Form N-362 to figure and claim the PTE tax credit under section 235-____, Hawaii Revised Statutes.

Who May Claim This Credit

For taxable years beginning after December 31, 2022, each qualified member of an electing PTE who elected to pay Hawaii income taxes at the entity level may claim a nonrefundable PTE tax credit.

Credit Requirements

To claim this credit, you must complete and attach to your Hawaii income tax return:

- (1) Form N-362
(2) A completed Schedule CR (For tax returns for which Schedule CR is required.)
(3) A completed Schedule K-1

DEFINITIONS FOR PURPOSES OF THE CREDIT

"Electing pass-through entity" means any eligible partnership or S corporation that elects to be subject to tax.

"Member" means:

- (1) A shareholder of an S corporation;
(2) A partner in a general partnership, a limited partnership, or a limited liability partnership; or
(3) A member of a limited liability company that is treated as a partnership or S corporation for federal income tax purposes.

"Partnership" means the same as in the Internal Revenue Code. "Partnership" includes a limited liability company that is treated as a partnership for federal income tax purposes but does not include any publicly traded partnership within the meaning of section 7704 of the Internal Revenue Code.

"S corporation" means a corporation for which a valid election under section 1362(a) of the Internal Revenue Code is in effect.

SPECIFIC INSTRUCTIONS

Part I, Elective Tax Credit Amount

Line 1 — Enter the PTE's name, federal employer identification number (FEIN), and amount of PTE tax credit for the taxable year in the designated spaces on the form.

If you are married filing jointly, you MUST check the appropriate checkbox "T" (Taxpayer) or "S" (Spouse) for whom the tax credit is attributed to.

If additional space is needed, use additional Form(s) N-362 to provide the required information and check the box at the top of the form.

Line 2 — Total PTE Tax Credit Amount. Add the amounts in Part I, column (c).

Part II, Computation of Tax Credit

Line 3 — Adjusted Tax Liability. Enter your adjusted tax liability.

- Form N-11 filers, enter the amount from Form N-11, line 34.
Form N-15 filers, enter the amount from Form N-15, line 51.
Form N-40 filers, enter the amount from Form N-40, Schedule G, line 3.

Line 4 — Certain other tax credits must be used to offset a taxpayer's tax liability before the PTE tax credit may be used. If you are claiming other nonrefundable tax credits, complete the Credit Worksheet below and enter the result on line 4. If you are not claiming any of the nonrefundable tax credits listed on the worksheet, enter zero on line 4.

Line 6 — Total Credit Applied. Compare the amounts on lines 2 and 5. Enter the smaller of line 2 or 5 here, rounded to the nearest dollar. This is your credit applied for this taxable year. Enter this amount on Schedule CR, line 13.

- Form N-20 filers, enter the amount on Schedule K, line 28.
Form N-35 filers, enter the amount on Schedule K, line 16m.
Form N-40 filers, enter the distributive share amount on Form N-40, Schedule K-1, line 9c for each beneficiary.

Table with 2 columns: Tax Credit, Amount. Rows include: a. Income Taxes Paid to Another State or Foreign Country, b. Enterprise Zone Tax Credit, c. Add lines a and b. Enter the amount here and on Part II, line 4.

STATE OF HAWAII — DEPARTMENT OF TAXATION
**PASS-THROUGH ENTITY
TAX CREDIT**

Place QR Code Here
Human Readable text here

➤ See Instructions on back
➤ Attach to Schedule CR

Additional Form(s) N-362 attached

Name(s) as shown on tax return NAME (S) AS SHOWN ON TAX RETURN XXXXXXXXXXXXXXXXXXXXXXXXXXXXX	SSN(s) or FEIN 9999999999
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Part I PTE TAX CREDIT AMOUNT

1.	Column (a) Electing qualified pass-through entity (PTE) name	Column (b) Entity identification number (FEIN)	Column (c) PTE elective tax credit(s)
a.	<input checked="" type="checkbox"/> T <input checked="" type="checkbox"/> S ELECTING PASS-THROUGH ENTITY A XXXXX	99-9999999	999999999999999
b.	<input checked="" type="checkbox"/> T <input checked="" type="checkbox"/> S ELECTING PASS-THROUGH ENTITY B XXXXX	99-9999999	999999999999999
c.	<input checked="" type="checkbox"/> T <input checked="" type="checkbox"/> S ELECTING PASS-THROUGH ENTITY C XXXXX	99-9999999	999999999999999
d.	<input checked="" type="checkbox"/> T <input checked="" type="checkbox"/> S ELECTING PASS-THROUGH ENTITY D XXXXX	99-9999999	999999999999999
e.	<input checked="" type="checkbox"/> T <input checked="" type="checkbox"/> S ELECTING PASS-THROUGH ENTITY E XXXXX	99-9999999	999999999999999
f.	<input checked="" type="checkbox"/> T <input checked="" type="checkbox"/> S ELECTING PASS-THROUGH ENTITY F XXXXX	99-9999999	999999999999999
g.	<input checked="" type="checkbox"/> T <input checked="" type="checkbox"/> S ELECTING PASS-THROUGH ENTITY G XXXXX	99-9999999	999999999999999
h.	<input checked="" type="checkbox"/> T <input checked="" type="checkbox"/> S ELECTING PASS-THROUGH ENTITY H XXXXX	99-9999999	999999999999999
i.	<input checked="" type="checkbox"/> T <input checked="" type="checkbox"/> S ELECTING PASS-THROUGH ENTITY I XXXXX	99-9999999	999999999999999
j.	<input checked="" type="checkbox"/> T <input checked="" type="checkbox"/> S ELECTING PASS-THROUGH ENTITY J XXXXX	99-9999999	999999999999999

2. Total PTE Tax Credit Amount. Add all amounts in column (c) and enter total here	2	999999999999999
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Part II COMPUTATION OF TAX CREDIT

3 Adjusted Tax Liability (Not to be completed by Form N-20 and Form N-35 filers) Enter your adjusted tax liability from the applicable Form N-11, N-15, or N-40	3	999999999999999
4 If you are claiming other nonrefundable credits, complete the credit worksheet in the instructions and enter the total here. If you are not claiming other nonrefundable credits, enter zero	4	999999999999999
5 Line 3 minus line 4. This represents your remaining tax liability. If the result is zero or less than zero, enter zero	5	999999999999999
6 Total Credit Applied — Enter the smaller of line 2 or line 5. This is your PTE tax credit applied for the year. Also, enter this amount on Schedule CR, line 13.	6	999999999999999

Note: Form N-20 and N-35 filers, enter the amount on line 6 on the appropriate lines of Form N-20, Schedule K or Form N-35, Schedule K. Form N-40 filers, see the instructions.

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If additional space is needed, use additional Form(s) N-362 to provide the required information and check the box at the top of the form.

Line 2 — Total PTE Tax Credit Amount. Add the amounts in Part I, column (c).

Part II, Computation of Tax Credit

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- Form N-11 filers, enter the amount from Form N-11, line 34.
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Line 6 — Total Credit Applied. Compare the amounts on lines 2 and 5. Enter the smaller of line 2 or 5 here, rounded to the nearest dollar. This is your credit applied for this taxable year. Enter this amount on Schedule CR, line 13.

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PASS-THROUGH ENTITY TAX CREDIT WORKSHEET	
Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country .	_____
b. Enterprise Zone Tax Credit.	_____
c. Add lines a and b. Enter the amount here and on Part II, line 4.....	=====