

STATE OF HAWAII – DEPARTMENT OF TAXATION  
**INSTRUCTIONS FOR FORM N-323**  
**CARRYOVER OF TAX CREDITS**

## GENERAL INSTRUCTIONS

Use Form N-323, Carryover of Tax Credits, to carry forward any amount of unused nonrefundable credits. The time to claim the original amount of these credits has expired and no NEW claims for the credits will be allowed.

**Note:** *This form must be attached to the Schedule CR and both forms MUST be filed every year whether or not an amount of carryover credit is applied to the current year's tax liability.*

## SPECIFIC INSTRUCTIONS

### Part I: Adjusted Tax Liability

**Line 1** — Enter your adjusted tax liability.

- Form F-1 filers, enter the amount from Form F-1, line 71.
- 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-30 filers, enter the amount from Form N-30, line 13.
- Form N-40 filers, enter the amount from Form N-40, Schedule G, line 3.
- Form N-70NP filers, enter the amount from Form N-70NP, line 18.

### Part II: Carryover of the Credit for Energy Conservation

The energy conservation and residential construction and remodeling tax credits expired on June 30, 2003. You may claim the tax credit(s) only if you have a carryover of the tax credit(s) from a prior year and a proper claim of the credit(s) was made in the applicable prior year.

See Form N-342, Renewable Energy Technologies Income Tax Credit for Systems Placed in Service on or After July 1, 2009, for the credit available for current system installations. For systems installed and placed in service before July 1, 2009, you may claim the credit only if you have a carryover of the tax credit from a prior year.

**Line 2** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing an energy conservation tax credit. **Complete the Energy Conservation Tax Credit Worksheet** on page 2 and enter the result on line 2.

**Line 4** — This line is for the carryover of any unused energy conservation tax credit.

**Line 5. Total Credit Applied** — Compare the amounts on lines 3 and 4. Enter the smaller of line 3 or 4 here and in **Column (b)** on Schedule CR, line 11. This is your maximum credit allowed for this taxable year.

**Line 6. Unused Credit to Carryover** — This represents your carryover of unused energy conservation tax credit which exceed your tax liability and may be used as a credit against your tax liability in subsequent years until exhausted. If this amount is more than zero, also enter it on Schedule CR, line 11, in **Column (c)**.

### Part III: Carryover of the Hotel Construction and Remodeling Tax Credit

Each taxpayer subject to Hawaii's net income tax and transient accommodations tax was able to claim a hotel construction and remodeling tax credit for a qualified hotel facility located in Hawaii. A nonrefundable tax credit of 10 percent was available for qualified construction or renovation costs incurred after November 1, 2001, but before July 1, 2003. The credit changed to a refundable 4 percent credit for qualified construction or renovation costs incurred after June 30, 2003 through December 31, 2005. See Department of Taxation Announcement No. 2001-20.

The hotel construction and remodeling tax credit is not available for taxable years beginning after December 31, 2005. However, you may claim the credit only if you have a carryover of the credit for costs incurred after November 1 2001, but before July 1, 2003, and a proper claim of the credit was made in the applicable prior year.

**Line 7** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a hotel construction and remodeling tax credit. **Complete the Hotel Construction and Remodeling Tax Credit Worksheet** on page 2 and enter the result on line 7.

**Line 9** — This line is for the carryover of any unused hotel construction and remodeling tax credit.

**Line 10. Total Credit Applied** — Compare the amounts on lines 8 and 9. Enter the smaller of line 8 or 9 here and in **Column (b)** on Schedule CR, line 15. This is your maximum credit allowed for this taxable year.

**Line 11. Unused Credit to Carryover** — This represents your carryover of unused hotel construction and remodeling tax credit which exceed your tax liability and may be used as a credit against your tax liability in subsequent years until exhausted. If the amount is more than zero, also enter it on Schedule CR, line 15, in **Column (c)**.

### Part IV: Carryover of the Cesspool Upgrade, Conversion or Connection Income Tax Credit

The cesspool upgrade, conversion or connection income tax credit expired on December 31, 2020. You may claim the credit only if you have a carryover of the credit from a prior year and a proper claim of the credit was made in the applicable prior year.

**Line 12** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a cesspool upgrade, conversion or connection income tax credit. **Complete the Cesspool Upgrade, Conversion or Connection Income Tax Credit Worksheet** on page 2 and enter the result on line 12.

**Line 14** — This line is for the carryover of any unused cesspool upgrade, conversion or connection income tax credit.

**Line 15. Total Credit Applied** — Compare the amounts on lines 13 and 14. Enter the smaller of line 13 or 14 here and in **Column (b)** on Schedule CR, line 13. This is your maximum credit allowed for this taxable year.

**Line 16. Unused Credit to Carryover** — This represents your carryover of unused cesspool upgrade, conversion or connection income tax credit which exceed your tax liability and may be used as a credit against your tax liability in subsequent years until exhausted. If this amount is more than zero, also enter it on Schedule CR, line 13, in **Column (c)**.

### Part V: Carryover of the Residential Construction and Remodeling Tax Credit

**Line 17** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a residential construction and remodeling tax credit. **Complete the Residential Construction and Remodeling Tax Credit Worksheet** on page 3 and enter the result on line 17.

**Line 19** — This line is for the carryover of any unused residential construction and remodeling tax credit.

**Line 20. Total Credit Applied** — Compare the amounts on lines 18 and 19. Enter the smaller of line 18 or 19 here and in **Column (b)** on Schedule CR, line 16. This is your maximum credit allowed for this taxable year.

**Line 21. Unused Credit to Carryover** — This represents your carryover of unused residential construction and remodeling tax credit which exceed your tax liability and may be used as a credit against your tax liability in subsequent years until exhausted. If this amount is more than zero, also enter it on Schedule CR, line 16, in **Column (c)**.

### Part VI: Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed In Service Before July 1, 2009)

**Line 22** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a renewable energy technologies income tax credit (for systems installed and placed in service before July 1, 2009). **Complete the Renewable Energy Technologies Income Tax Credit (For Systems**

**Installed and Placed in Service Before July 1, 2009) Worksheet** on page 3 and enter the result on line 22.

**Line 24** — This line is for the carryover of any unused renewable energy technologies income tax credit (for systems installed and placed in service before July 1, 2009).

**Line 25. Tax Credit Applied** — Compare the amounts on lines 23 and 24. Enter the smaller of line 23 or 24 here and in **Column (b)** on Schedule CR, line 17. This is your maximum credit allowed for this taxable year.

**Line 26. Unused Credit to Carryover** — This represents your carryover of unused renewable energy technologies income tax credit (for systems installed and placed in service before July 1, 2009) which exceed your tax liability and may be used as a credit against your tax liability in subsequent years until exhausted. If this amount is more than zero, also enter it on Schedule CR, line 17, in **Column (c)**.

**Part VII: Carryover of the Technology Infrastructure Renovation Tax Credit**

The technology infrastructure renovation tax credit expired on December 31, 2010. You may claim the credit only if you have a carryover of the credit from a prior year and a proper claim of the credit was made in the applicable prior year.

**Line 27** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a technology infrastructure renovation tax credit. **Complete the Technology Infrastructure Renovation Tax Credit Worksheet** on page 3 and enter the result on line 27.

**Line 29** — This line is for the carryover of any unused technology infrastructure renovation tax credit.

**Line 30. Total Credit Applied** — Compare the amounts on lines 28 and 29. Enter the smaller of line 28 or 29 here and in **Column (b)** on Schedule CR, line 14. This is your maximum credit allowed for this taxable year.

PART II — ENERGY CONSERVATION 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 through b. Enter the amount here and on line 2.....	=====

PART IV — CESSPOOL UPGRADE, CONVERSION OR CONNECTION INCOME TAX CREDIT WORKSHEET	
Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country.....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed In Service Before July 1, 2009).....	_____
g. Renewable Energy Technologies Income Tax Credit (Nonrefundable)..	_____
h. Add lines a through g. Enter the amount here and on line 12.....	=====

**Line 31. Unused Credit to Carryover** — This represents your carryover of unused technology infrastructure renovation tax credit which exceed your tax liability and may be used as a credit against your tax liability in subsequent years until exhausted. If this amount is more than zero, also enter it on Schedule CR, line 14, in **Column (c)**.

**Part VIII: Carryover of the High Technology Business Investment Tax Credit**

The high technology business investment tax credit expired on December 31, 2010. You may claim the credit only if you have a carryover of the credit from a prior year and a proper claim of the credit was made in the applicable prior year.

**Line 32** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a high technology business investment tax credit. **Complete the High Technology Business Investment Tax Credit Worksheet** on page 3 and enter the result on line 32.

**Line 34** — This line is for the carryover of any unused high technology business investment tax credit.

**Line 35. Total Credit Applied** — Compare the amounts on lines 33 and 34. Enter the smaller of line 33 or 34 here and in **Column (b)** on Schedule CR, line 12. This is your maximum credit allowed for this taxable year.

**Line 36. Unused Credit to Carryover** — This represents your carryover of unused high technology business investment tax credit which exceed your tax liability and may be used as a credit against your tax liability in subsequent years until exhausted. If this amount is more than zero, also enter it on Schedule CR, line 12, in **Column (c)**.

PART III — HOTEL CONSTRUCTION AND REMODELING TAX CREDIT WORKSHEET	
Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country.....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed in Service Before July 1, 2009).....	_____
g. Renewable Energy Technologies Income Tax Credit (Nonrefundable)..	_____
h. Carryover of the Cesspool Upgrade, Conversion, or Connection Income Tax Credit.....	_____
i. Earned Income Tax Credit.....	_____
j. Healthcare Preceptor Tax Credit.....	_____
k. Historic Preservation Income Tax Credit.....	_____
l. Low-Income Housing Tax Credit.....	_____
m. Carryover of the High Technology Business Investment Tax Credit.....	_____
n. Carryover of the Technology Infrastructure Renovation Tax Credit.....	_____
o. Carryover of the Residential Construction and Remodeling Tax Credit.....	_____
p. Add lines a through o. Enter the amount here and on line 7.....	=====

**PART V — RESIDENTIAL CONSTRUCTION AND  
REMODELING TAX CREDIT WORKSHEET**

Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country.....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed in Service Before July 1, 2009).....	_____
g. Renewable Energy Technologies Income Tax Credit (Nonrefundable)..	_____
h. Carryover of the Cesspool Upgrade, Conversion, or Connection Income Tax Credit.....	_____
i. Earned Income Tax Credit.....	_____
j. Healthcare Preceptor Tax Credit.....	_____
k. Historic Preservation Income Tax Credit.....	_____
l. Low-Income Housing Tax Credit.....	_____
m. Carryover of the High Technology Business Investment Tax Credit.....	_____
n. Carryover of the Technology Infrastructure Renovation Tax Credit.....	_____
o. Add lines a through n. Enter the amount here and on line 17.....	=====

**PART VII — TECHNOLOGY INFRASTRUCTURE  
RENOVATION TAX CREDIT WORKSHEET**

Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country.....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed in Service Before July 1, 2009).....	_____
g. Renewable Energy Technologies Income Tax Credit (Nonrefundable)..	_____
h. Carryover of the Cesspool Upgrade, Conversion, or Connection Income Tax Credit.....	_____
i. Earned Income Tax Credit.....	_____
j. Healthcare Preceptor Tax Credit.....	_____
k. Historic Preservation Income Tax Credit.....	_____
l. Low-Income Housing Tax Credit.....	_____
m. Carryover of the High Technology Business Investment Tax Credit.....	_____
n. Add lines a through m. Enter the amount here and on line 27.....	=====

**PART VI — RENEWABLE ENERGY TECHNOLOGIES INCOME  
TAX CREDIT (FOR SYSTEMS INSTALLED AND PLACED  
IN SERVICE BEFORE JULY 1, 2009)  
TAX CREDIT WORKSHEET**

Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country.....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Add lines a through e. Enter the amount here and on line 22.....	=====

**PART VIII — HIGH TECHNOLOGY BUSINESS  
INVESTMENT TAX CREDIT WORKSHEET**

Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country.....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed in Service Before July 1, 2009).....	_____
g. Renewable Energy Technologies Income Tax Credit (Nonrefundable)..	_____
h. Carryover of the Cesspool Upgrade, Conversion, or Connection Income Tax Credit.....	_____
i. Earned Income Tax Credit.....	_____
j. Healthcare Preceptor Tax Credit.....	_____
k. Historic Preservation Income Tax Credit.....	_____
l. Low-Income Housing Tax Credit.....	_____
m. Add lines a through l. Enter the amount here and on line 32.....	=====