

INSTRUCTIONS FOR FORM N-188X

AMENDED INDIVIDUAL INCOME TAX RETURN

Purpose of Form N-188X

Use Form N-188X to correct your income tax return, Form N-11, N-12, or N-13.

Note: Act 84, Session Laws of Hawaii 2007, adopts the federal provision that treats nontaxable combat pay as compensation for purposes of the limits on contributions and deduction of contributions to IRAs for taxable years beginning after December 31, 2003. If you received nontaxable combat pay in 2004 or 2005, and the treatment of the combat pay as compensation for IRA purposes means that you can contribute more for those years than you already have, you can make additional contributions to an IRA for 2004 or 2005 by May 28, 2009. File an amended income tax return by the latest of:

- 3 years from the date you filed your original return for the year for which you make the contribution,
- 2 years from the date you paid the tax for the year for which you made the contribution, or
- 1 year from the date on which you made the contribution.

The amended income tax return should be clearly marked "Nontaxable Combat Pay" on the top center of the amended return.

Note: Taxpayers cannot use Form N-188X to amend their tax returns for taxable years in which they did not make a contribution to: (1) the Hawaii school-level minor repairs and maintenance special fund, (2) the Hawaii public libraries special fund, or (3) the Hawaii children's trust fund, the domestic violence and sexual assault special fund, and the spouse and child abuse special accounts, on their original tax return but want to make a contribution on their amended tax return. They must file an amended return on the appropriate tax return. Use the version of the appropriate tax return for the year (e.g., 2007) being amended, write the word "AMENDED" on the top middle of the return (or fill in the amended return oval at the top of the 2007 Form N-11), and fill in the return with all the correct information. Attach a statement to the amended return explaining the changes to income, deductions, and credits. The amended tax return must be filed within twenty months and ten days after the due date for the original return for such taxable year. A contribution once made whether by an original or amended return may not be revoked.

Note: Nonresidents and part-year residents cannot use Form N-188X to amend Form N-15. They must file an amended return on Form N-15. Use the version of Form N-15 for the year (e.g., 2007) being amended, write the word "AMENDED" on the top middle of the return (or fill in the amended return oval at the top of the 2007 Form N-15), and fill in the return with all the correct information. Attach a statement to the amended return explaining the changes to income, deductions, and credits.

Also, taxpayers cannot file an amended return on Form N-188X if they filed an original return on Form N-11, Form N-12, or Form N-13 and later find out they should have filed Form N-15. They must file an amended return on Form N-15.

Note: The filing of an amended income tax return is required instead of a report to the Department of Taxation when there is a change in taxable income for federal income tax purposes.

If you are changing your Hawaii return, you may also have to change your federal return. Please note that it often takes several months to process Form N-188X. We will figure the interest and will either include it in your refund or bill you for it.

You should use Form N-109, Application for Tentative Refund, instead of Form N-188X in some cases. Use Form N-109 if:

- you are applying for a tentative refund resulting from a net operating loss, AND
- less than one year has elapsed since the end of the year in which the loss or credit arose.

Information on Income, Deductions, etc.

If you have questions, such as what income is taxable or what expenses are deductible, the instructions for the return you are amending may help you. Be sure to use the Tax Table, Tax Rate Schedules, Capital Gains Tax Worksheet, Form N-168, or Form N-615 for the proper year to figure the corrected tax. The related schedules and forms may also help you. If you need more information, contact our Taxpayer Services Branch.

Death of Taxpayer

If you are claiming a refund as surviving spouse filing a *joint* return with the decedent, write "deceased" and the date of death in the name and address space of Form N-188X. Also write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she may also sign. All filers requesting a refund due a decedent (except if you are filing as surviving spouse filing a *joint* return with the decedent) must file Form N-110, Statement of Person Claiming a Refund Due a Deceased Taxpayer, to claim the refund.

What Attachments to the Return are Required

Attach the appropriate schedule or form to this amended return to explain any change in income, deduction or credit if the individual income tax return and instructions require a schedule or form. For example, if there is a change in the capital gain item, complete the Capital Gains Tax Worksheet and/or Schedule D-1 and attach it or both to this amended return.

Where to File

File with the Hawaii Department of Taxation, P. O. Box 3559, Honolulu, Hawaii 96811-3559.

When to File

File Form N-188X after you filed your original return. Generally, Form N-188X must be filed within 3 years after the date the original return was due or 3 years after the date you filed it, whichever is later. A Form N-188X based on a net operating loss carryback generally must be filed within 3 years after the due date of the return for the tax year of the net operating loss.

Penalty

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%.

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.

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.

Preparer Information

If you fill in your own tax return or someone prepares it and does not charge you, the "Paid Preparer's Information" area should remain blank.

Generally, anyone who is paid to prepare your tax return must fill in the blanks in the "Paid Preparer's Information" area of your tax return, and sign in the space provided. 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 Branch.

The person 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 filed with the Department of Taxation.**

Net Operating Loss

Note: Hawaii did not adopt the 5-year net operating loss carryback provision of the Job Creation and Worker Assistance Act (P. L. No. 107-147).

Attach a statement showing how you figured your net operating loss. You may use Schedule A of Form N-109 for this purpose.

If you are filing Form N-188X to carryback a net operating loss, you must check the box in Part II to ensure that Form N-188X is properly processed.

Attachments

If you are filing an amended return due to a net operating loss, attach a copy of your original federal income tax return for the loss year to Form N-188X. If you are filing an amended return due to a change in taxable income for federal income tax purposes, attach a copy of your amended federal income tax return for the year of the federal change to Form N-188X.

Line-By-Line Instructions

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ABOVE YOUR NAME, ENTER THE CALENDAR YEAR OR FISCAL YEAR OF THE RETURN YOU ARE AMENDING.

Foreign Address

If your address is outside the United States or its possessions or territories, enter the information on the line for "City or Town, State, and Postal/ZIP Code" in the following order: city, province or state, postal code, and the name of the country. Do not abbreviate the country name.

Item (a) — Check the box which applies to the return you are amending: Forms N-11 and N-12 are the resident individual long-form returns, and Form N-13 is the resident individual short-form return. Indicate the district office where your original return was filed.

Item (b) — Check the proper box. If the Department of Taxation has asked you to furnish additional information to support any item on your original return and the issue is still open, check the "Yes" box. If the issue has been settled, check the "No" box and if a change was made, use the adjusted figures in column A.

Item (c) — Check the proper box. Any change made by the Internal Revenue Service on your federal return must be reported to the Department of Taxation within 90 days after the federal change is finally determined.

Item (d) — Filing status. If you are changing from separate returns to a joint return, both you and your spouse must sign the amended return.

Note: If you filed a joint return, and you and your spouse decide to file separate returns for the year, both of you must file amended returns on or before the due date (April 20) of the original return.

Column A. — Enter the amounts from your return as originally filed or as you later amended it. If your return was audited, enter the amounts that were determined as the result of the examination.

Column B. — Enter the increases or decreases you are making. Bracket all decreases. Explain each change on page 2, Part II, and attach any related schedule(s).

Column C. — Add the increase in column B to the amount in column A or subtract the column B decrease from column A. Show the result in column C. For any item you do not change, enter the amount from column A in column C.

If your Amended Return changes only credits, tax, or payments, skip lines 1-7 and start with line 8.

INCOME AND DEDUCTIONS

Line 1. — Total Income. On page 2, Part II, explain any changes you make on this line. To figure this amount, add income from all sources, such as wages, interest, dividends, and net profit from business. For Form N-11 filers, this amount is your federal adjusted gross income amount.

Use the reportable income for the respective years as follows:

- 2004, 2005, 2006, and 2007 N-11, line 7; N-13, line 11.
- 2004, 2005, and 2006 N-12, line 19

Line 2. — Adjustments to Income. Enter on this line the total of all adjustments to income as follows:

- 2004, 2005, 2006, and 2007 N-11, the net amount of lines 11 and 19 (if line 11 is greater than line 19, show the amount as a positive amount on line 2; if line 19 is greater than line 11, show the amount in (BRACKETS) on line 2).
- 2004 and 2005 N-12, line 34.
- 2006 N-12, line 33.

Line 3. — Adjusted Gross Income. For Form N-11 filers, if the net amount on line 2 is a positive amount, add line 2 to line 1. For Form N-12 and N-13 filers, enter on this line the result from line 1 minus line 2.

Line 4. — Deductions. If you are itemizing, enter on this line the total deductions as follows:

- 2004, 2005, 2006, and 2007 N-11, line 22.
- 2004 and 2005 N-12, line 38.
- 2006 N-12, line 37.

Taxpayers who do not itemize their deductions may reduce their adjusted gross income by the amount of the standard deduction appropriate to their filing status.

The amount of the standard deduction for each filing status is as follows:

2004 through 2006

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

2007

Filing Status	Standard Deduction
Single	\$2,000
Married Filing Jointly	4,000
Married Filing Separately	2,000
Head of Household	2,920
Qualifying Widow(er)	4,000

Standard deductions for dependents.

For 2004 and subsequent years, the standard deduction for an individual who can be claimed as a dependent on the tax return of another taxpayer is the greater of (a) \$500, or (b) the individual's earned income (but not more than the appropriate amount shown in the chart above).

If you are not itemizing your deductions, enter the appropriate standard deduction amount on line 4.

TAX LIABILITY

Line 8. — Tax. Enter your income tax before subtracting any credits.

Figure the tax on the income you reported in column C. To figure your corrected tax, be sure to use the tax table, tax rate schedules, capital gains tax worksheet, Form N-168, or Form N-615 for the year you are amending your return. Attach the appropriate schedules. Include on line 8 any additional taxes from Forms N-2, N-103, N-152, N-312, N-318, N-338, N-405, N-586, and N-814. **The tax table, tax rate schedule, or capital gains tax worksheet in the instruction booklet for the applicable year will help you complete line 8.**

PAYMENTS AND CREDITS

Line 9. — Hawaii Income Tax Withheld. If you are correcting the amount of tax withheld, attach any additional or corrected federal Form(s) W-2 and 1099-G, and Form(s) HW-2 and N-2 received since your original return was filed.

Line 10. — Estimated Tax Payments. Enter the amount of estimated tax payments made for the year you are amending.

Line 11. — Tax Credits. This line includes the sum of the following credits:

For 2004 through 2005 —

- Hotel Construction and Remodeling Tax Credit (refundable)
- Drought Mitigating Water Storage Facility Income Tax Credit

For 2004 through June 30, 2006 —

- Motion Picture and Film Production Income Tax Credit

For 2004 through 2010 —

- High Technology Business Investment Tax Credit
- Tax Credit for Research Activities
- Technology Infrastructure Renovation Tax Credit

For 2004 and subsequent years —

- Credit for Taxes Paid to Another State or a Foreign Country
- Credit for Child and Dependent Care Expenses
- Credit for Low-Income Household Renters
- Fuel Tax Credit for Commercial Fishers
- Credit for Child Passenger Restraint Systems
- Capital Goods Excise Tax Credit
- Tax Credit for Low-Income Housing
- Enterprise Zone Tax Credit
- Credit for Employment of Vocational Rehabilitation Referrals
- Low-Income Refundable Tax Credit
- Credit for School Repair and Maintenance
- Ethanol Facility Tax Credit
- Renewable Energy Technologies Income Tax Credit
- Carryover of the Energy Conservation Tax Credit
- Carryover of the Residential Construction and Remodeling Tax Credit
- Carryover of the Hotel Construction and Remodeling Tax Credit (nonrefundable)
- Carryover of the Individual Development Account Contribution Tax Credit

For 2005 through May 31, 2009 —

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

For 2006 —

- Tax Credit for Flood Victims

For July 1, 2006 through 2015 —

- Motion Picture, Digital Media, and Film Production Income Tax Credit

For 2007 —

- Credit for General Income Tax

CAUTION:

Claims for the following tax credits, including any amended claims thereof, must be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed:

- Credit for Low-Income Household Renters Fuel Tax Credit for Commercial Fishers
- Credit for Child Passenger Restraint Systems Capital Goods Excise Tax Credit
- Credit for Employment of Vocational Rehabilitation Referrals
- Motion Picture and Film Production Income Tax Credit
- Low-Income Refundable Tax Credit
- High Technology Business Investment Tax Credit
- Hotel Construction and Remodeling Tax Credit Residential Construction and Remodeling Tax Credit
- Individual Development Account Contribution Tax Credit
- Tax Credit for Research Activities
- Drought Mitigating Water Storage Facility Income Tax Credit
- Credit for School Repair and Maintenance Ethanol Facility Tax Credit
- Renewable Energy Technologies Income Tax Credit
- Motion Picture, Digital Media, and Film Production Income Tax Credit
- Credit for General Income Tax

Note: Claims, including amended claims, for the Tax Credit for Flood Victims must be filed on or before December 31, 2007.

Line 12. — Amount Paid with Form N-101A and N-101B. If you filed an application for an automatic extension and/or additional extension of time to file your tax return, enter the amount paid with Form N-101A and N-101B. If you used federal Forms 4868 and/or 2688 in lieu of Forms N-101A and N-101B for 2004, enter those amounts paid with the federal forms.

Line 13. — Amount Paid. Enter the "AMOUNT YOU OWE" reported on your original Form N-11, N-12 or N-13. Also, include any additional tax paid as a result of an examination of your original return. **Do not include payments of interest or penalties assessed.**

REFUND OR AMOUNT YOU OWE

Line 15. — Overpayment Shown on Original Return. For Forms N-11 and N-12, enter "the amount OVERPAID" less the "amount contributed to the Hawaii school-level minor repairs and maintenance special fund (for taxable year 2004 and thereafter), the Hawaii public libraries special fund (for taxable year 2004 and thereafter), and the Hawaii children's trust fund, the domestic violence and sexual assault special fund, and the spouse and child abuse special accounts (for taxable year 2005 and thereafter) reported on your original Form N-11 or N-12. For Form N-13, enter "the amount to be REFUNDED TO YOU" reported on your original Form N-13. If an additional overpayment was received as a result of an examination of your original return, also include that amount on line 15. **Do not** include any interest received on any refund.

Line 16. — *If line 16 results in a minus figure, add it to line 8, instead of subtracting. Enter the result on line 18.*

Line 18. — Amount You Owe. Attach your check or money order for the full amount when you file. Make it payable to "Hawaii State Tax Collector". Be sure to write your social security number, "Form N-188X", and the applicable tax year on it. Please pay in U.S. dollars. **Do not send cash.** If line 18 is under \$1, you do not have to pay. Also, attach Form N-200V, Individual Income Tax Payment Voucher.

Note: *If you include penalty and/or interest with your payment, identify and enter these amounts on a separate sheet of paper and attach to Form N-188X. Do not include the penalty and/or interest amounts in the Amount You Owe on line 18 of Form N-188X nor explain the payment of penalty and/or interest in Part II of Form N-188X.*

Part I — Exemptions. Enter in column A, the exemptions claimed on your original return Forms N-11, N-12, or N-13. Enter in column B, any increase or decrease to exemptions claimed on your original return. Enter in column C the corrected number of exemptions you are claiming on this amended return.

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:

- Single — \$7,000
- Husband and Wife (both disabled) — \$14,000
- Husband or Wife (nondisabled spouse under 65) — \$8,040
- Husband or Wife (nondisabled spouse age 65 and over) — \$9,080

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

Complete lines 1 through 5 in all cases as they apply. Complete line 6 only if you claim more exemptions on this amended return.

Part II — Explanation of Changes. Show the changes in detail and explain in detail the reasons for the changes. Attach applicable schedules.

Part III — Hawaii Election Campaign Fund. If no designation was made on your original tax return when filed, a designation may be made on an amended return that is filed within twenty months and ten days after the due date for the original return for such taxable year. A designation once made whether by an original or amended return may not be revoked.