## **SCHEDULE K-1**

STATE OF HAWAII — DEPARTMENT OF TAXATION

SHAREHOLDER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC

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	(REV. 2016)		For calend	dar year 2	2016 or tax year			
beginning								
(NOTE: Prepare in triplicate. (1) File with N-35. (2) For S corp. (3) For shareholder.)								
S	hare	eholder's identif	ying number ➤			identifying number (FEIN) >	·	
S	hare	eholder's name	address, and Postal/ZIP code		Corporation's nam	e, address, and Postal/Z	IP code	
Ā		(1) Sharehold	er's percentage of stock ownership for tax	vear 🔪	% and (2	Number of shares o	wned by shareholder at	
^		tax year end )		tructions	for Schedule K-1)	.) Italibel of Shares o	whea by shareholder at	
В		Check applica	able boxes: (1)  Final K-1 (2)  Amende	ed K-1	·			
_			(1)					
$\overline{c}$	aut	tion: Refer to	Shareholder's Instructions for Schedule K	-1 before	e entering informat	ion from Schedule K-	on your tax return.	
	(a) Pro rata share items (b) A		Attributable to	(c) Attributable	(d) Form N-11*/ N-15** filers enter			
_			(a) 1 10 Tata Share items		Hawaii	Elsewhere	the amounts in col. (b) and col. (c) on:	
		•	(loss) from trade or business activities				See Shareholder's Instructions for	
		, ,	from rental real estate activities				Schedule K-1 (N-35).	
s)		, ,	from other rental activities				<b>」'</b>	
(Losses)							Interest Worksheet	
		,	ls				Line 9	
me		,					See Shareholder's Instructions.	
Income			pital gain (loss)				Capital Gain/Loss Worksheet	
			ital gain (loss)				Capital Gain/Loss Worksheet	
			gain (loss)				Schedule D-1, line 2	
	_	· · · · · · · · · · · · · · · · · · ·	s) (attach schedule)				(Enter on applicable line of your return)	
suc			utions				Worksheet A-4, PY-4, or NR-4	
ctic			xpense deduction (attach schedule)				See Shareholder's Instructions.	
உ			d to portfolio income (loss) (attach schedule)				Worksheet A-6, PY-6, or NR-6	
۵	14	Other deductions	(attach schedule)				(Enter on applicable line of your return)	
*	15	•	se on investment debts				Form N-158, line 1	
Interest		b (1) Investmen	t income included on lines 4, 5, and 6 above				See Shareholder's Instructions for	
ء		(2) Investmen	t expense included on line 13 above				Schedule K-1 (N-35).	

\* For Form N-11 filers, if your federal Schedule K-1 (Form 1120S) and Hawaii Schedule K-1 (Form N-35) amounts are different, the necessary adjustments are to be made in the Hawaii Additions Worksheet and/or Hawaii Subtractions Worksheet in the Form N-11 Instructions. \*\*For Form N-15 filers, the referenced worksheets are located in the Form N-15 Instructions.

Purpose of Schedule K-1 — The S corporation uses Schedule K-1 (Form N-35) to report to you your share of the corporation's income (reduced by any tax the corporation paid on the income), credits, deductions, etc. Please keep it for your records.

Although the corporation is subject to a built-in gains tax, an excess net passive income tax, and a LIFO recapture tax, you are liable for the income tax on your share of the corporation's income, whether or not distributed, and you must include your share on your tax return.

Use these instructions to help you report the items shown on Schedule K-1 on your Hawaii income tax return. Where "(attach schedule)" appears on lines 10, 12, 13, 14, and 22a, it means the information for these lines (if applicable) will be shown on line 29, or if additional space was needed, the corporation will have attached a statement to your Schedule K-1 to show the information. The notation "(See

Instructions for Schedule K-1)" in item A is directed only to the corporation.

Schedule K-1 does not show the amount of actual dividend distributions the corporation paid to you. The corporation must report to you such amounts on Form 1099-DIV. Resident shareholders' actual dividend distributions are already included in federal adjusted gross income (federal AGI) for Form N-11 filers.

Schedule K-1 now provides you with information relating to the source of your share of the income of the S corporation. This is required under provisions of section 235-128, Hawaii Revised Statutes. How this income is reported by you to the State of Hawaii depends on your residency status. Shareholders who are Hawaii residents are to report the total sum of the income, deductions, and credits attributable to Hawaii and the income, deductions, and credits attributable elsewhere. Shareholders who are

not residents of Hawaii or who are part-year residents of Hawaii are to use amounts attributable to Hawaii and the total sum of amounts attributable to Hawaii and amounts attributable elsewhere in preparing their Hawaii income tax returns. Income attributable to Hawaii is reported by all shareholders net of adjustments allowed to corporations. The total of your share of these adjustments is shown on line 22a and are explained on line 29. Items of income or deductions should be reported on your return net of these adjustments. Resident shareholders may make an adjustment to income reported on their net income tax return for interest penalty on early withdrawal of savings, if a penalty was imposed on the early withdrawal of savings by the S corporation and the interest income is not attributable to Hawaii. The amount of this deduction appears on line 23.

		(a) Pro rata share items	<b>(b)</b> Attributable to Hawaii	(c) Attributable Elsewhere	(d) Form N-11/N-15 filers enter on:
	16	a Fuel Tax Credit for Commercial Fishers			Form N-163
		<b>b</b> Total cost of qualifying property for the Capital Goods Excise  Tax Credit			Form N-312, Part I
		c Amounts needed to claim the Enterprise Zone Tax Credit	See attached Form N-756A.		Form N-756
		d Hawaii Low-Income Housing Tax Credit			Form N-586
		e Credit for Employment of Vocational Rehabilitation Referrals			Form N-884
		f Motion Picture, Digital Media, and Film Production Income			1 0111111 004
		Tax Credit			Form N-340
		g Credit for School Repair and Maintenance			Form N-330
		h Ethanol Facility Tax Credit			Form N-324
İts		i Renewable Energy Technologies Income Tax Credit	See attached Form N-342A.		Form N-342
Credits		j Important Agricultural Land Qualified Agricultural	GGG dildonod i Gilli i V G 127 i.		
O		Cost Tax Credit			Form N-344
		k Tax Credit for Research Activities			Form N-346
		I Capital Infrastructure Tax Credit			Form N-348
		m Cesspool Upgrade, Conversion or Connection Income Tax Credit			Form N-350
		n Credit for Hawaii income tax withheld on Form N-288			
		Credit for Hawaii income tax withheld on Form N-4			<b>)</b>
		(Nonresident shareholders only)			See Shareholder's Instructions
		p Pro rata share of net income tax paid by the S corporation to			for Schedule K-1 (Form N-35)
		states which do not recognize the corporation's "S" status.			
		(Resident and part-year resident shareholders only)			•
	17	Property distributions (including cash) other than dividend distributions			
		reported to you on federal Form 1099-DIV			1
	18	Tax exempt interest income			
S	19	Other tax exempt income			
tem	20	Nondeductible expenses			See Shareholder's Instructions
Other Items	21	Amount of loan repayments for "Loans from Shareholders."			for Schedule K-1 (Form N-35)
	22	a Corporate adjustments to income attributable to Hawaii			
		(attach schedule)			
		<b>b</b> Personal adjustments to income attributable elsewhere			
	23	Interest penalty on early withdrawal of savings			
ts	24	Recapture of Hawaii Low-Income Housing Tax Credit:			)
Credits		a From IRC section 42(j)(5) partnerships			Form N-586, Part III
ax C		<b>b</b> Other than on line 24a			<b>]</b>
_		Capital Goods Excise Tax Credit Properties	See attached N-312, Part II.		Form N-312, Part II
<u>s</u>	26	Recapture of Tax Credit for Flood Victims			Form N-338
aptı	27	1 1 9			Form N-344
Recapture of	١,,	Cost Tax Credit			Form N-348
		Supplemental information for lines 10, 12, 13, 14, 22a, or other items and a	mounts not included in lines 1 throu	ugh 20 that are required to be repor	
	29	(attach additional schedules if more space is needed):	mounts not included in lines i timot	igri 20 triat are required to be repor	led Separately to each Shareholder
		(attacit additional scriedules il more space is needed).			
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Supplemental Information					
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