SCHEDULE K-1

STATE OF HAWAII — DEPARTMENT OF TAXATION

FORM N-35

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

(REV. 2017)		REV. 2017)	For calend						
			beginning						
			(1075 8						
_				e with N-35. (2) For S corp. (3) For shareholder.)					
		eholder's identif	ying number ➤ mailing address, and Postal/ZIP code		Corporation's Federal identifying number (FEIN) > Corporation's name, mailing address, and Postal/ZIP code				
	ila.	cholder a frame,	mailing address, and restain Educ		Corporations has	ne, maining address, and	Tosta/Zii Cocc		
Ā	(1) Shareholder's percentage of stock ownership for tax year ➤ % and (2) Number of shares owned by shareholder at tax year end ➤ (See Instructions for Schedule K-1)								
В	3	Check applica	ble boxes: (1) 🗌 Final K-1 (2) 🗌 Amend	ed K-1					
_									
<u>C</u>	au	tion: Refer to	Shareholder's Instructions for Schedule K	-1 before	e entering informa	tion from Schedule K-	1 on your tax return.		
	(a) Pro rata share items			(b) Attributable to Hawaii		(c) Attributable Elsewhere	(d) Form N-11*/ N-15** filers enter the amounts in col. (b) and col. (c) on:		
Income (Losses)	2 3 4 5 6 7 8 9	Net income (loss) Net income (loss) Interest Ordinary Dividence Royalties Net short-term cap Net long-term cap Net section 1231 Other income (loss)	loss) from trade or business activities				See Shareholder's Instructions for Schedule K-1 (N-35). Interest Worksheet Line 9 See Shareholder's Instructions. Capital Gain/Loss Worksheet Capital Gain/Loss Worksheet Schedule D-1, line 2 (Enter on applicable line of your return)		
erest Deductions	12 13 14	IRC section 179 e Deductions related Other deductions a Interest expense	xpense deduction (attach schedule)				Worksheet A-4, PY-4, or NR-4 See Shareholder's Instructions. Worksheet A-6, PY-6, or NR-6 (Enter on applicable line of your return) Form N-158, line 1 See Shareholder's Instructions for		

* 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.

(2) Investment expense included on line 13 above......

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.

See Shareholder's Instructions for Schedule K-1 (N-35).

		(a) Pro rata share items	(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 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
		•	See attached Form N-342A.		Form N-342
		h Renewable Energy Technologies Income Tax Credit	See allached Form N-342A.		1 01111 14-342
Credits		i Important Agricultural Land Qualified Agricultural			Form N 244
Ģ		Cost Tax Credit			Form N-344
		j Tax Credit for Research Activities			Form N-346
		k Capital Infrastructure Tax Credit			Form N-348
		I Cesspool Upgrade, Conversion or Connection Income Tax Credit			Form N-350
		m Renewable Fuels Production Tax Credit			Form N-352
		n Organic Foods Production Tax Credit			Form N-354
		o Credit for Hawaii income tax withheld on Form N-288			1
		p Credit for Hawaii income tax withheld on Form N-4			
		(Nonresident shareholders only)			See Shareholder's Instructions
		q 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			1
		reported to you on federal Form 1099-DIV			
	18	Tax exempt interest income			
ns	19	Other tax exempt income			
<u>te</u>	20	Nondeductible expenses			See Shareholder's Instruction
Other Items	21	Amount of loan repayments for "Loans from Shareholders."			for Schedule K-1 (Form N-35
ō	22	a Corporate adjustments to income attributable to Hawaii			
		(attach schedule)			
		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
×		b Other than on line 24a			J
f Ta	25	Capital Goods Excise Tax Credit Properties	See attached N-312, Part II.		Form N-312, Part II
ē	26	Recapture of Tax Credit for Flood Victims			Form N-338
ptu	27	Recapture of Important Agricultural Land Qualified Agricultural			
Recapture of Tax		Cost Tax Credit			Form N-344
	28				Form N-348
	29	Supplemental information for lines 10, 12, 13, 14, 22a, or other items and a	igh 28 that are required to be report	ted separately to each shareholder	
		(attach additional schedules if more space is needed):			
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Supplemental Information	L				
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