

FORM
N-884
(REV. 2025)

STATE OF HAWAII - DEPARTMENT OF TAXATION
**CREDIT FOR EMPLOYMENT OF VOCATIONAL
REHABILITATION REFERRALS**

TAX
YEAR
20

Or fiscal year beginning _____, 20____, and ending _____, 20____

ATTACH TO FORM N-11, N-15, N-20, N-30, N-35, N-40, OR N-70NP

Name(s) as shown on return	Social Security or Federal Employer I.D. Number
----------------------------	-------------------------------------------------

Employee name(s) (Attach a schedule if more space is needed.)	Approved employment starting date	Employee Social Security Number	Qualified first-year wages paid this year (not over \$6,000 per employee)
The employer must retain approved employee certification forms.			
1			
2 Total qualified first-year wages paid this year.....	2		
3 Current year jobs credit—Enter 20% of line 2 here. You must subtract this amount from the deduction on your return for salaries and wages.....	3		
4 Flow-through jobs credits from other entities If you are a a Partner b Shareholder c Beneficiary d Patron Then enter total of current year jobs credit(s) from _____ enter appropriate amount from Schedule K-1 (Form N-20) enter appropriate amount from Schedule K-1 (Form N-35) enter appropriate amount from Schedule K-1 (Form N-40) Statement from cooperative }	4		
5 Total New Credit Claimed — Add lines 3 and 4. Also enter this amount on Schedule CR in Column (b) of the appropriate line for this tax credit	5		
<i>Note: Pass-through entities, stop here and enter the amount from line 5 on the appropriate lines of your tax return. For Form N-40 filers who are reporting the trust or estate's share, continue on to line 6.</i>	6		
6 Carryover of unused employment of vocational rehabilitation referrals credit from prior years	6		
7 Tentative total tax credit. Add lines 5 and 6.	7		
8 Adjusted Tax Liability (Not to be completed by Form N-20 and N-35 filers)	8		
Enter your adjusted tax liability from the applicable line of Form N-11, N-15, N-30, N-40 or N-70NP	9		
9 If you are claiming other nonrefundable credits, complete the Credit Worksheet in the instructions and enter the total here.	9		
10 Line 8 minus line 9. This represents your remaining tax liability. If the result is zero or less, enter zero	10		
11 Total Credit Applied — Enter the smaller of line 7 or line 10, rounded to the nearest dollar. This is your employment of vocational rehabilitation referrals credit applied for the year. Also, enter this amount on Schedule CR in Column (c) of the appropriate line for this tax credit	11		
12 Unused Credit to Carryover — Line 7 minus line 11. This represents your current year's carryover of unused credit. The amount of any unused tax credit may be carried over and 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 in Column (d) of the appropriate line for this tax credit.	12		

Each employer may be eligible for a 20% nonrefundable vocational referral income tax credit if the requirements of section 235-55.91, HRS, are met.



GENERAL INSTRUCTIONS

PURPOSE OF FORM

Use Form N-884 if you hire new employees who are vocational rehabilitation referrals and you elect to claim a credit for the wages paid or accrued for them during their first year of employment.

The amount of the tax credit for the taxable year shall be equal to 20% of the qualified first-year wages paid to the vocational rehabilitation referrals for that year. The amount of the qualified first-year wages which may be taken into account with respect to any individual shall not exceed \$6,000.

This form is also used to report any unused credits carried over from prior years.

S corporations or partnerships qualifying for the Credit for Employment of Vocational Rehabilitation Referrals may pass the benefits of this credit through to their shareholders or partners.

The credit shall be claimed against the net income tax liability for the taxable year. If this credit exceeds the taxpayer's income tax liability, it may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted.

NOTE: *No deduction shall be allowed for that portion of the wages or salaries paid or incurred for the taxable year that is equal to the current year's portion of the credit claimed. See the instructions for your tax return so you report this adjustment properly.*

For purposes of this credit, see section 235-55.91, Hawaii Revised Statutes, for more information relating to "Hiring date", "Qualified first-year wages", "Qualified wages", "Vocational rehabilitation referral" and "Wages."

TIME FOR FILING

All claims for this credit, including any amended claims, 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. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim this credit.

SPECIFIC INSTRUCTIONS

Line 1. — Enter employees' names, starting dates, social security numbers, and wages paid during the taxable year. The qualified first-year wages may not exceed \$6,000 per employee. The employer must retain approved certification forms for the employees listed on this line for audit purposes.

Line 2. — Add the total qualified first-year wages paid in the current year.

Line 3. — Compute the credit applicable to the current year by multiplying the amount on line 2 by 20%, and enter the result on line 3.

You must subtract your current year credit on line 3 from the deduction on your tax return for salaries and wages you paid or owe for the current year. This is true even if you cannot take the full credit this year and must carry part of it forward. See the instructions for your tax return so you report this adjustment properly.

Line 4. — If you are claiming your share of the Employment of Vocational Rehabilitation Referrals credit from a partnership, S corporation, estate or trust, then enter the amount here. If you received a Schedule K-1 (Form N-20), enter the amount from line 20. If you received a Schedule K-1 (Form

N-35), enter the amount from line 16e. If you received a Schedule K-1, (Form N-40, enter the amount from line 9c (Employment of Vocational Rehabilitation Referrals Credit). If you received a federal Form 1099-PATR, enter the appropriate amount. Also, enter the name and federal employer identification number of any flow-through entity that has passed the credit to you.

Line 5. — Total New Credit Claimed - This line is the total amount of the credit being claimed in the current year. Enter this amount on Schedule CR, line 25, in **Column (b)**.

- Form N-20 filers, enter the amount on line 5 on Form N-20, Schedule K, line 20; skip lines 6 through 12.
- Form N-35 filers, enter the amount on line 5 on Form N-35, Schedule K, line 16e; skip lines 6 through 12.
- Form N-40 filers, either
 - (1) Enter the distributive share amount on Form N-40, Schedule K-1, line 9c for each beneficiary, OR
 - (2) Report the trust or estate's share by continuing to line 6.
- All others, continue to line 6.

Line 6. — This line is for the carryover of unused credit for employment of vocational rehabilitation referrals.

Line 7. — Add lines 5 and 6. This is your tentative current year or credit for employment of vocational rehabilitation referrals.

Line 8. — 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-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 19.

Line 11. — Total Credit Applied - Compare the amounts on lines 7 and 10. Enter the smaller of line 7 or 10, rounded to the nearest dollar, here and on Schedule CR in **Column (c)** of the appropriate line for this credit. This is your maximum credit allowed for this taxable year.

Line 12. — Unused Credit to Carryover - This represents your carryover of employment of vocational rehabilitation referrals 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 in **Column (d)** of the appropriate line for this credit.

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. Add lines a through c. Enter the amount here and on line 8.	_____