

STATE OF HAWAII - DEPARTMENT OF TAXATION  
**INSTRUCTIONS FOR FORM N-330**  
**CREDIT FOR SCHOOL REPAIR AND MAINTENANCE**

## GENERAL INSTRUCTIONS

### PURPOSE OF FORM

Use Form N-330 to figure and claim the credit for school repair and maintenance under section 235-110.2, Hawaii Revised Statutes (HRS).

### WHO MAY CLAIM THIS CREDIT

Each taxpayer licensed under chapter 444, 460J, or 464, HRS, who is subject to Hawaii income taxes, and who does not owe delinquent taxes, penalties, or interest, may claim a nonrefundable credit for the value of contributions of in-kind services for the repair and maintenance of public schools provided by the licensed taxpayer in Hawaii. The credit shall be deductible from the taxpayer's net income tax liability, if any, for the taxable year in which the credit is properly claimed.

### FLOW-THROUGH ENTITIES

In the case of a taxpayer licensed under chapter 444, 460J, or 464, HRS, who is also a partnership, S Corporation, estate, or trust, the credit is allowable for the value of contributions of in-kind services for the repair and maintenance of public schools provided by the entity. The cost upon which the credit is computed is determined at the entity level. Form N-330 shall be completed and attached to the entity's return. Each partner, S Corporation shareholder, or beneficiary of an estate or trust shall separately report its share of the credit (amount on the Schedule K-1 given to them) on their own Form N-330. Attach Schedule K-1 and their completed Form N-330 to the separate return.

### CREDIT REQUIREMENTS

For purposes of the credit:

"Value of contributions of in-kind services" means the fair market value of uncompensated services or labor as determined and certified by the Department of Education.

"Public schools" has the same meaning as defined in section 302A-101. (All academic and noncollege type schools maintained by the Department of Education in accordance with law.)

The Department of Education shall maintain records of the names of taxpayers eligible for the credit and the total value of in-kind services contributed for the repair and maintenance of public schools for the taxable year. All contributions shall be verified by the Department of Education. The Department of Education shall total all contributions that the Department certifies. Upon each determination, the Department of Education shall issue a certificate to the taxpayer certifying:

- (1) The amount of the contribution;
- (2) That the taxpayer is licensed under chapter 444, 460J, or 464; and
- (3) That the taxpayer has obtained a current and valid certificate signed by the Director of Taxation, showing that the taxpayer does not owe the State any delinquent taxes, penalties, or interest.

The taxpayer shall attach the certificate from the Department of Education to the taxpayer's tax return. When the total amount of certified contributions reaches \$2,500,000, the Department of Education shall immediately discontinue certifying contributions and notify the Department of Taxation.

The State shall provide not more than \$250,000 in tax credits for contributions of in-kind services in Hawaii for the repair and maintenance of public schools.

The amount of the credit for the taxable year shall be equal to ten percent of the value of contributions of in-kind services to the Hawaii school repair and maintenance fund for that taxable year; provided that the aggregate value of the contributions of in-kind services claimed by a taxpayer shall not exceed \$40,000.

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

To claim the credit, you must complete and attach to your Hawaii income tax return:

- (1) Form N-330
- (2) Schedule CR (For tax returns for which Schedule CR is required.)

- (3) Schedule K-1 (Required only if you are claiming a distributive share of a credit from a partnership, S Corporation, estate, or trust.)

Even if you are not able to use this credit because your tax liability on line 16 is zero, file the forms listed above with your Hawaii tax return to claim and carryover your unused credit. If the forms are not attached, then no claim for the credit has been made, and you will lose the carryover of your unused credit.

### DEADLINE FOR CLAIMING THE CREDIT

The deadline to claim the credit, including amended claims, is 12 months after the close of your taxable year. You cannot claim or amend the credit after the deadline.

### SPECIFIC INSTRUCTIONS

Enter the name(s) shown on your return. If filing a joint return, enter the social security number of the person whose name is shown first on the return.

**Lines 1 through 8 must be completed by the Department of Education prior to commencement of the work.**

**Line 6** — Chapter 444, HRS, applies to general specialty building industry contractors; Chapter 460J, HRS, applies to pest control operators; Chapter 464, HRS, applies to professional engineers, architects, surveyors, and landscape architects.

**Line 7** — Enter the contractor's or responsible managing employee's (RME) license number.

**Line 8** — A tax clearance certificate to certify that the contractor does not owe any delinquent Hawaii taxes, penalties or interest must be obtained from the Department of Taxation before the Department of Education will certify the value of the contributed in-kind services.

**Complete lines 9 through 14 to claim the credit, unless you are claiming your distributive share of the credit distributed from a partnership, an S corporation, an estate, or a trust.**

**Note:** If you are only claiming your distributive share of a credit distributed from a partnership, an S corporation, an estate, or a trust, skip lines 9 through 10 and begin on line 11.

**Line 9** — Enter the amount of the certified value listed in line 4 of the form or \$40,000, whichever is less. If you contributed more than once, add the total certified contributions from line 4 of all Forms N-330 and enter the total on one of the Forms N-330 to claim the credit. Your total contributions of in-kind services claimed cannot be more than \$40,000.

**Note:** All in-kind services contributed **must** be certified by the Department of Education: Department of Education, Auxiliary Services Branch, 3633 Waiialae Avenue, Building C210, Honolulu, Hawaii 96816. Call (808) 784-6800 for further information.

**Line 10** — Multiply line 9 by 10% (.10). Enter the result here.

**Line 11** — Enter the name and federal employer identification number of any flow-through entity that has passed the credit through to you. Also, if you are claiming your share of the credit for school repair and maintenance 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 22. If you received a Schedule K-1 (Form N-35), enter the amount from line 16g. If you received a Schedule K-1 (Form N-40), enter the amount from line 9c (credit for school repair and maintenance). If you received a federal Form 1099-PATR, enter the appropriate amount.

**Line 12. Total New Credit Claimed** — This is the total amount of the credit being claimed in the current year. Enter this amount on Schedule CR, line 26, in **Column (b)**. Form N-20 filers, enter the amount on line 12 on Form N-20. Schedule K, line 22. Form N-35 filers, enter the amount on line 14 on Form N-35, Schedule K, line 16g. Form N-40 filers, enter the distributive share amount on Form N-40, Schedule K-1, line 9c for each beneficiary, otherwise continue on to line 13. All others, continue to line 13.

**Line 13** — This line is for the carryover of unused credit for school repair and maintenance from prior years.

**Line 14** — Add lines 12 and 13. This is your tentative current year credit for school repair and maintenance.

**Adjusted Tax Liability Limitations**

**Line 15** — 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 line 19.

**Line 16** — Certain other credits must be used to offset a taxpayer’s tax liability before the credit for school repair and maintenance may be used. If you are claiming other nonrefundable credits, complete the **Credit Worksheet** below and enter the result on line 16.

**Line 18. Total Credit Applied** — Compare the amounts on lines 14 and 17. Enter the smaller of line 14 or 17, rounded to the nearest dollar, here and in **Column (c)** on Schedule CR, line 26. This is your maximum credit allowed for this taxable year.

**Line 19. Unused Credit to Carryover** — This represents your carryover of your credit for school repair and maintenance which exceeds 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)**, line 26.

<b>CREDIT WORKSHEET</b>	
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. Add lines a through d. Enter the amount here and on line 16 .....	=====