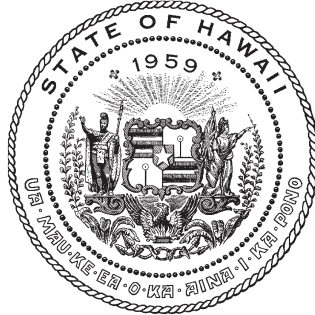


**STATE OF HAWAII
DEPARTMENT OF TAXATION**



**General Information
and Scannable Specifications
for
Form N-35 (Rev. 2018)**

Contact Information for General Questions

Hawaii Department of Taxation
Technical Section
Attn: Sharlene Tagami, Forms Coordinator
830 Punchbowl Street, Rm 126
Honolulu, Hawaii 96813

Telephone: (808) 587-1577
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E-mail: Tax.Technical.Section@hawaii.gov

**Contact Information for Mailing Test
Packages and Testing Inquiries**

Hawaii Department of Taxation
Attn: Document Processing — Quality
Assurance Test Team
830 Punchbowl Street, Rm 126
Honolulu, Hawaii 96813

Email: tax.dp.qa@hawaii.gov

Note: Reproduced forms must meet the requirements as established in this document and our current Forms Reproduction Policy.

FORM N-35 (Rev. 2018)

General Information and Scannable Specifications

This document provides software vendors with the requirements for reproducing Form N-35. Form N-35 is designed for electronic scanning that permits faster processing with fewer errors. Software developers who reproduce, develop, or distribute Form N-35 must create the form so the variable data (specified fields containing taxpayer information) are printed in a fixed format that can

be read by the Department's IBML scanners. A 2D QR code must be present on each page of the form.

Substitute scannable forms **MUST** meet the requirements as established in this document and our current Forms Reproduction Policy, and be approved prior to release or distribution.

GENERAL INFORMATION

1. Substitute Form

- We highly recommend you use the Department's official Form N-35 PDF.
- If you do not use the Department's official PDF, the substitute form must match the Department's form in layout and appearance including **bold** and/or *italics* fonts as they appear on the official form.
- Lines of text in a paragraph must break at the same location as the official form.
- All forms and variable data must have a high standard of legibility for printing.
- Photocopies of the scannable form must not be submitted to the Department for processing.
- Substitute scannable forms must be proofread prior to submission.

2. Paper and Ink

- The paper size is 8.5 inches by 11 inches, the same size as the Department's original form. The paper weight must be at least 20 pound white bond and the page orientation is portrait.
- Black ink should be used in printing the text on the form and the variable data.

3. Fonts

- The form was designed using the following font:
 1. Helvetica
- The following fonts and sizes should be used for the form number and revision year located at the top left corner on page 1 of the form:
 1. Form: 8 pt Helvetica bold
 2. N-35: 18 pt Helvetica bold
 3. Rev. 2018: 8 pt Helvetica
- The following fonts and sizes should be used for the form number and revision year located at the top left corner on pages 2 through 4 of the form:
 1. Form N-35 (Rev. 2018): 8 pt Helvetica bold

- The following font and size should be used for the form number located at the bottom right corner on pages 1 through 4 of the form:

1. Form N-35: 8 pt Helvetica bold

4. Variable Data

- All variable data fields must utilize 10 pt Courier font.
- All variable data fields require exact placement.
- Print all alpha characters uppercase.
- Use a bold X (**X**) as a checkbox. See exhibit for exact placement. The use of a checkmark is not acceptable.

5. Variable Data Delimiters

- Other tax year beginning and ending must be printed with dash (-) delimiters. For example:
MM-DD
(2 digits for month, followed by a dash (-), followed by 2 digits for day).
- Taxpayer's Federal Employer Identification Number must be printed with a dash (-) delimiter. For example:
12-1234567
(2 digits, followed by a dash (-), followed by 7 digits).
- Taxpayer's Hawaii Tax I.D. Number must be printed with dash (-) delimiters. For example:
GE-123-456-7890-01
(GE, followed by a dash (-), followed by 3 digits, followed by a dash (-), followed by 3 digits, followed by a dash (-), followed by 4 digits, followed by a dash (-), followed by 2 digits)
Note: The Taxpayer's Hawaii Tax I.D. Number begins with "GE."

6. Dollar Amounts

999999999

- Do not use commas as thousand separators.
- Do not use leading dollar signs.
- Amounts are right justified.

- Amounts must be rounded. Dollar and cent signs should not be used when the field is rounded to whole dollars.

7. Testing and Approval of the Scannable Form

- A minimum of 5 hardcopy test samples must be provided to ensure proper testing including 1 hardcopy test sample that contains all maximized fields (one alpha "X" or numeric "9" character space with no leading or trailing spaces).

- Test samples must be originals. Photocopies, fax submissions, etc. will not be accepted.
- Test samples must be populated with unique sample variable data showing different scenarios.
- It will require 1 to 2 weeks, upon receipt by the Department, to verify the accuracy of the submitted sample.
- Approval of the facsimile must be obtained from the Department **prior** to filing.
- Form N-35 (Rev. 2018) cannot be filed until 2019.

SCANNABLE SPECIFICATIONS

1. Layout

- Open space around variable data fields should be adhered to as much as possible except for the areas that do not require optical character recognition. Do not place any additional information in these areas.

2. Hawaii Vendor I.D. Number

- Print your 2-digit Hawaii Vendor I.D. Number following the "ID NO" label at the following positions:
 1. Pages 1-4: The 2-digit Hawaii Vendor I.D. Number should begin at column 45, row 64.

3. QR Code

- A QR code is specific to the form. The property of the 2D symbology QR code is measured in CM.
- Placement of the QR code is as follows (see exhibit for exact placement):
 1. Page 1: The left bottom corner of the QR code is at the beginning of column 6 and at the bottom of row 10.
 2. Pages 2-4: The left bottom corner of the QR code is at the beginning of column 6 and at the bottom of row 7.
- Height of the QR code is 0.5 inch.
- Length of the QR code is 0.5 inch.
- Narrow Module Size is set to 0.18.
- Margin is set to 0.18.
- Open space surrounding the QR code should be adhered to as much as possible.
- DO NOT stretch the QR code image.
- The required QR code for page 1 is:
N35_T 2018A 01 VIDXX

The required QR code for page 2 is:
N35_T 2018A 02 VIDXX

The required QR code for page 3 is:
N35_T 2018A 03 VIDXX

The required QR code for page 4 is:
N35_T 2018A 04 VIDXX

The QR code includes the form number (N35), an underscore, type of form (T), space, 4-digit form year (2018), 1-letter revision indicator (A), space, 2-digit page number (01), (02), (03), or (04), space, vendor I.D. label (VID), and your 2-digit Hawaii Vendor I.D. Number (XX). There are no hyphens.

- The human readable text for the QR code must be printed at the bottom of each page at column 6, row 64, utilizing 6pt Helvetica font.
- Please do not print the outline around the human readable text and QR code. These were only used to show the placement of the human readable text and QR code.
- DO NOT use Windows Metafile Format (wmf). This format causes a very low read rate by the Department's IBML scanners.

4. Acetate Overlays

- Acetate overlays will assist in the exact data field placement. Verify your form samples with the overlays prior to submitting them for testing. If the samples do not match the overlays within 1/16 inch, do not submit them for approval as they will be rejected.
- Acetate overlays will be mailed to vendors who submitted a Letter of Intent to participate in the Forms Reproduction Program and who will be reproducing Form N-35. If you did not receive the acetate overlays, please contact the Forms Coordinator.

FORM N-35 (REV. 2018)

S CORPORATION INCOME TAX RETURN 2018

For calendar year 2018

Place QR Code Here

or other tax year beginning 12-12, 2018 and ending 12-12, 2012

AMENDED Return (Attach Sch AMD)

Name, Federal Employer I.D. No., Dba or C/O, Business Activity Code, Mailing Address, Hawaii Tax I.D. No., City or town, State, and Postal/ZIP Code, Enter the number of Schedules NS attached to this return

Is the corporation electing to be an S corporation beginning with this tax year? Check if: (1) Initial Return (2) Final Return (3) S Election Termination or Revocation (4) Name Change (5) Change of Address (6) IRS Adjustment How many months in 2018 was this corporation in operation? Was this corporation in operation at the end of 2018?

CAUTION: Include only trade or business income and expenses on lines 1a through 20. See Instructions for more information.

Table with columns for INCOME and DEDUCTIONS. Rows include Gross receipts or sales, Returns and allowances, Line 1a minus line 1b, Cost of goods sold, Gross profit, Net gain or loss, Other income, TOTAL income, Compensation of officers, Salaries and wages, Repairs and maintenance, Bad debts, Rents, Taxes and licenses, Interest, Depreciation, Depletion, Advertising, Pension, Employee benefit programs, Other deductions, TOTAL deductions, Ordinary income.

DECLARATION: I declare, under the penalties set forth in section 231-36, HRS, that this return (including any accompanying schedules or statements) has been examined by me and, to the best of my knowledge and belief, is true, correct, and complete, made in good faith, for the taxable year stated, pursuant to the Hawaii Income Tax Law, Chapter 235, HRS. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer, Date, NAME AND TITLE, May the Hawaii Department of Taxation discuss this return with the preparer shown below?

Paid Preparer's Information: Preparer's Signature, Print Preparer's Name, Firm's name, Address and Postal/ZIP Code, Date, Check if self-employed, Preparer's identification no., Federal E.I. No., Phone no.

Place QR Code Here	Name as shown on return	Federal Employer Identification Number
	NAMEXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	99-9999999

TAX & PAYMENTS	22 a	Excess net passive income tax (attach schedule(s))	22a	99999999999	
	b	Tax from Schedule D (Form N-35), line 21	22b	99999999999	
	c	Number of N-4s attached <u>999999</u> Taxes withheld on attached N-4s	22c	99999999999	
	d	LIFO recapture tax	22d	99999999999	
	e	Interest due under look-back method	22e	99999999999	
	f	Add lines 22a, 22b, 22c, 22d, and 22e	22f	99999999999	
	23 a	2017 overpayment allowed as a credit	23a	99999999999	
	b	2018 estimated tax payments from N-3s <u>99999999</u> and N-288s <u>99999999</u>	23b	99999999999	
	c	Payments with extension	23c	99999999999	
	d	Add lines 23a, 23b, and 23c.	23d	99999999999	
24	Underpayment of estimated tax penalty. (see Instructions) Check if Form N-220 is attached.	24	99999999999	<input checked="" type="checkbox"/>	
25	OVERPAYMENT (If line 23d is larger than the total of lines 22f and 24), enter AMOUNT OVERPAID.	25	99999999999		
26	Enter amount of line 25 you want Credited to 2019 estimated tax > 26a \$ <u>99999999999</u> Refunded >	26b	99999999999		
27	TAX DUE (If the total of lines 22f and 24 is larger than line 23d) enter the amount due	27	99999999999		
28	AMOUNT OF PAYMENT (see Instructions)	28	99999999999		
AMENDED RETURN	29	Amount paid (overpaid) on original return — AMENDED RETURN ONLY.	29	99999999999	
	30	BALANCE DUE (REFUND) with amended return (See Instructions)	30	99999999999	

Schedule A Cost of Goods Sold (See Instructions for Schedule A)			
1	Inventory at beginning of year	1	99999999999
2	Purchases	2	99999999999
3	Cost of labor	3	99999999999
4	Additional IRC section 263A costs (see federal Instructions and attach a schedule)	4	99999999999
5	Other costs (attach schedule)	5	99999999999
6	Total—Add lines 1 through 5	6	99999999999
7	Inventory at end of year.	7	99999999999
8	Cost of goods sold—Line 6 minus line 7. (Enter here and on page 1, line 2)	8	99999999999
9 a	Check all methods used for valuing closing inventory:		
	(i) <input checked="" type="checkbox"/> Cost as described in Treasury Regulations section 1.471-3.		
	(ii) <input checked="" type="checkbox"/> Lower of cost or market as described in Treasury Regulations section 1.471-4 (see Instructions)		
	(iii) <input checked="" type="checkbox"/> Other (specify method used and attach explanation) > METHOD USEDXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
b	Check if there was a writedown of subnormal goods as described in Treasury Regulations section 1.471-2(c)		<input checked="" type="checkbox"/>
c	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach federal Form 970)		<input checked="" type="checkbox"/>
d	If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO	9d	99999999999
e	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation?		<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No
f	Was there any change in determining quantities, cost or valuations between opening and closing inventory?		<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Schedule B Other information	
1	Check method of accounting: a <input checked="" type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input checked="" type="checkbox"/> Other (specify) > OTHERXXXXXXXXXXXXXXXXXXXX
2 a	Date of incorporation <u>12-12-1212</u> b Date business began in Hawaii <u>12-12-1212</u>
c	Under laws of <u>LAWS OFXXXXXXXXXXXX</u> d Date of federal election as an S corporation <u>12-12-1212</u>
3	Refer to the listing of Business Activity Codes at the end of the federal Instructions for Form 1120S and state your principal: Business Activity > BUSINESS ACTIVITYXXXXXXXXXX ; Product or service > PRODUCT OR SERVICEXXXX
4	Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see IRC section 267(c).) If "Yes" attach a schedule showing: (a) name, address and employer identification number (b) percentage owned, and (c) if 100% owned, was QSSS election made?
	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5	Enter the number of shareholders in the corporation at the end of the tax year who are: residents of Hawaii <u>9999999999999999</u> nonresidents of Hawaii <u>9999999999999999</u>
6	Did the corporation derive income from sources outside Hawaii which is not includable in the Hawaii return?
	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7	If the corporation: (1) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (2) has net unrealized built-in gain (defined by IRC section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. \$ <u>9999999999999999</u>

Place QR Code Here

Name as shown on return
 NAMEXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Federal Employer Identification Number
 99-9999999

Schedule K		Shareholders' Pro Rata Share Items	b. Attributable to Hawaii	c. Attributable Elsewhere		
Income (Losses)	1	Ordinary income (loss) from trade or business activities (page 1, line 21)	9999999999999999	1	9999999999999999	
	2	Net income (loss) from rental real estate activities (attach federal Form 8825)	9999999999999999	2	9999999999999999	
	3	a	Gross income from other rental activities	9999999999999999	3a	9999999999999999
		b	Expenses from other rental activities (attach schedule)	9999999999999999	3b	9999999999999999
		c	Net income (loss) from other rental activities. Line 3a minus line 3b.	9999999999999999	3c	9999999999999999
	4	Interest income	9999999999999999	4	9999999999999999	
	5	Ordinary dividends	9999999999999999	5	9999999999999999	
	6	Royalty income	9999999999999999	6	9999999999999999	
	7	Net short-term capital gain (loss) (Schedule D (Form N-35))	9999999999999999	7	9999999999999999	
	8	Net long-term capital gain (loss) (Schedule D (Form N-35))	9999999999999999	8	9999999999999999	
9	Net gain (loss) under IRC section 1231 (attach Schedule D-1)	9999999999999999	9	9999999999999999		
10	Other income (loss) (attach schedule)	9999999999999999	10	9999999999999999		
Deductions	11	Charitable contributions (attach schedule)	9999999999999999	11	9999999999999999	
	12	IRC section 179 expense deduction (attach federal Form 4562).	9999999999999999	12	9999999999999999	
	13	Deductions related to portfolio income (loss) (attach schedule)	9999999999999999	13	9999999999999999	
	14	Other deductions (attach schedule)	9999999999999999	14	9999999999999999	
Investment Interest	15	a	Interest expense on investment debts paid or accrued in 2018	15a	9999999999999999	
		b (1)	Investment income included on lines 4, 5, and 6, above	15b(1)	9999999999999999	
		(2)	Investment expenses included on line 13, above.	15b(2)	9999999999999999	
Credits	16	a	Fuel Tax Credit for Commercial Fishers (attach Form N-163)	16a		
		b	Total cost of property qualifying for the Capital Goods Excise Tax Credit (See Instructions)	16b		
		c	Amounts needed to claim the Enterprise Zone Tax Credit (attach Form N-756)	See Instructions		16c
		d	Hawaii Low-Income Housing Tax Credit (attach Form N-586)	9999999999999999		16d
		e	Credit for Employment of Vocational Rehabilitation Referrals (attach Form N-884)	9999999999999999		16e
		f	Motion Picture, Digital Media, and Film Production Income Tax Credit (attach Form N-340)	9999999999999999		16f
		g	Credit for School Repair and Maintenance (attach Form N-330).	9999999999999999		16g
		h	Renewable Energy Technologies Income Tax Credit (attach Form N-342).	9999999999999999		16h
		i	Important Agricultural Land Qualified Agricultural Cost Tax Credit (attach Form N-344)	9999999999999999		16i
		j	Tax Credit for Research Activities (attach Form N-346)	9999999999999999		16j
		k	Capital Infrastructure Tax Credit (attach Form N-348)	9999999999999999		16k
		l	Cesspool Upgrade, Conversion or Connection Income Tax Credit (attach Form N-350)	9999999999999999		16l
		m	Renewable Fuels Production Tax Credit (attach Form N-352)	9999999999999999		16m
		n	Organic Foods Production Tax Credit (attach Form N-354)	9999999999999999		16n
		o	Hawaii income tax withheld on Forms N-288 (See Instructions).	9999999999999999		16o
		p	Total Hawaii income tax withheld on Forms N-4	9999999999999999		16p
	q	Net income tax paid by the S corporation to states which do not recognize the corporation's "S" status. Identify state(s).		16q	9999999999999999	
Other Items	(Attach a separate schedule if more space is needed for any item.)					
	17	Total property distributions (including cash) other than dividend distributions reported on line 22, below. Date of Distribution <u>12-12-1212</u>	9999999999999999	17	9999999999999999	
	18	Tax exempt interest income	9999999999999999	18	9999999999999999	
	19	Other tax exempt income.	9999999999999999	19	9999999999999999	
	20	Non-deductible expenses	9999999999999999	20	9999999999999999	
	21	Other items and amounts not included on lines 1 through 20, above, that are required to be reported separately to shareholders (attach schedule)	9999999999999999	21	9999999999999999	
	22	Total dividend distributions paid from accumulated earnings and profits.	9999999999999999	22	9999999999999999	
	23	Income (loss) — Combine lines 1 through 10. From the result, subtract the sum of lines 11 through 15a.	9999999999999999	23	9999999999999999	
24	Corporate adjustments to income attributable to Hawaii (attach schedule)	9999999999999999	24			
25	Interest penalty on early withdrawal of savings		25	9999999999999999		

