

**STATE OF HAWAII
DEPARTMENT OF TAXATION**



**General Information
and Scannable Specifications
for
Form N-70NP (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
Fax: (808) 587-1584
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-70NP (Rev. 2018)

General Information and Scannable Specifications

This document provides software vendors with the requirements for reproducing Form N-70NP. Form N-70NP is designed for electronic scanning that permits faster processing with fewer errors. Software developers who reproduce, develop, or distribute Form N-70NP 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.

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-70NP 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-70NP: 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 page 2 of the form:
 1. Form N-70NP (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 and 2 of the form:

1. Form N-70NP: 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 indicator. 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).

6. Dollar Amounts

123456789

- 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-70NP (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 1-2: 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 9.
 2. Page 2: 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
N70NP_T 2018A 01 VIDXX:

The required QR code for page 2 is
N70NP_T 2018A 02 VIDXX:

The QR code includes the form number (N70NP), an underscore, type of form (T), space, 4-digit form year (2018), 1-letter revision indicator (A), space, 2-digit page number (01 or 02), 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 6 pt 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-70NP. If you did not receive the acetate overlays, please contact the Forms Coordinator.

FORM N-70NP (REV. 2018)

EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN

For calendar year 2018

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

Place QR Code Here

Change of Address Amended Return (Attach Sch AMD) IRS Adjustment NOL Carryback

Name of organization, DBA or C/O, Mailing Address, City or town, State and Postal/ZIP code. Includes fields for Federal Employer I.D. No., Unrelated business activity code(s), and Hawaii Tax I.D. No.

Taxable Income section with lines 1-8: Gross receipts or sales, Returns and allowances, Cost of goods sold and/or operations, Capital gain net income, Other income, Total unrelated trade or business income, Total deductions, Unrelated business taxable income.

Tax Computation section with lines 9-15: Tax from Schedule 9, Tax from Schedule 14, Recapture of Capital Goods Excise Tax Credit, Recapture of Low-Income Housing Tax Credit, Recapture of Tax Credit for Flood Victims, Recapture of Important Agricultural Land Qualified Agricultural Cost Tax Credit, Recapture of Capital Infrastructure Tax Credit.

Total Income Tax section with lines 16-21: Total tax, Total refundable tax credits, Line 16 minus line 17, Total nonrefundable credits, Line 18 minus line 19, Credits and payments.

Amended Return section with lines 22-28: Estimated tax penalty, TAX DUE, OVERPAYMENT, Amount paid (overpaid) on original return, BALANCE DUE (REFUND) with amended return.

ATTACH COPY OF FEDERAL FORM 990-T

Declaration section: 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.

Signature section: Signature of officer, Date, NAME AND TITLE, and a checkbox for 'May the Hawaii Department of Taxation discuss this return with the preparer shown below?'.

Preparer's Information section: Preparer's signature, Print Preparer's Name, Date, Check if self-employed, Preparer's identification no., Firm's name (or yours, if self-employed), Address and ZIP Code, Federal E.I. No., Phone no.

| | | |
|--------------------------|---|--|
| Place QR Code Here | Name as shown on return | Federal Employer Identification Number |
| | NAME OF ORGANIZATIONXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX | 99-9999999 |

TAX COMPUTATION SCHEDULE

PART I -- Organizations Taxable as CORPORATIONS (See Instructions for Tax Computation)

| | | | |
|---|--|-----------|--------------|
| 1 | Enter the amount of unrelated business taxable income as shown on page 1, line 8 | 1 | 999999999999 |
| 2 | Enter the total of other deductions (see Instructions, attach schedule). | 2 | 999999999999 |
| 3 | Difference — line 1 minus line 2 | 3 | 999999999999 |
| 4 | Hawaii additions to income (see Instructions, attach schedule) | 4 | 999999999999 |
| 5 | Sum of lines 3 and 4 | 5 | 999999999999 |
| 6 | Enter the amount of taxable net capital gain from line 13, Schedule D (Form N-30/N-70NP) | 6 | 999999999999 |
| 7 | Difference — line 5 minus line 6 (if zero or less, enter zero) | 7 | 999999999999 |
| 8 | (a) Tax on net capital gain — 4% of the amount on line 6 | 8(a) | 999999999999 |
| | (b) Tax on all other taxable income — If the amount on line 7 is: | | |
| | (i) Not over \$25,000 — Enter 4.4% of line 7 | 8(b)(i) | 999999999999 |
| | (ii) Over \$25,000 but not over \$100,000 — Enter 5.4% of line 7 \$ 999999999999. Subtract \$250 and enter the difference | 8(b)(ii) | 999999999999 |
| | (iii) Over \$100,000 — Enter 6.4% of line 7 \$ 999999999999. Subtract \$1,250 and enter the difference | 8(b)(iii) | 999999999999 |
| | (c) Total of lines 8(a) and 8(b). | 8(c) | 999999999999 |
| | (d) Using the rates listed on line 8(b), compute the tax on the amount on line 5 above | 8(d) | 999999999999 |
| 9 | Total tax (enter the smaller of line 8(c) or line 8(d)). Also, enter this amount on page 1, line 9 | 9 | 999999999999 |

PART II -- TRUSTS Taxable at Trust Rates (See Instructions for Tax Computation)

| | | | |
|----|--|----|--------------|
| 1 | Enter the amount of unrelated business taxable income as shown on page 1, line 8 | 1 | 999999999999 |
| 2 | Enter the total of other deductions (see Instructions, attach schedule). | 2 | 999999999999 |
| 3 | Difference — line 1 minus line 2 | 3 | 999999999999 |
| 4 | Hawaii additions to income (see Instructions, attach schedule) | 4 | 999999999999 |
| 5 | Sum of lines 3 and 4 | 5 | 999999999999 |
| 6 | Net capital gain taxable to the trust. Enter the smaller of line 18 or 19, col. (b), Schedule D (Form N-40) | 6 | 999999999999 |
| 7 | Difference — line 5 minus line 6 (if zero or less, enter zero) | 7 | 999999999999 |
| 8 | Enter the greater of line 7 or \$20,000. | 8 | 999999999999 |
| 9 | Using the Trust Tax Rates below, compute the tax on the amount on line 8. If line 8 is \$20,000, enter \$1,128 | 9 | 999999999999 |
| 10 | Difference — line 5 minus line 8 (if zero or less, enter zero) | 10 | 999999999999 |
| 11 | Multiply the amount on line 10 by 7.25% | 11 | 999999999999 |
| 12 | Total of lines 9 and 11 | 12 | 999999999999 |
| 13 | Using the Trust Tax Rates below, compute the tax on the amount on line 5 above. | 13 | 999999999999 |
| 14 | Total tax (enter the smaller of line 12 or line 13). Also, enter this amount on page 1, line 10. | 14 | 999999999999 |

TRUST TAX RATES FOR PERIODS AFTER 12/31/01

| | |
|---|---|
| If the taxable income is: | The tax shall be: |
| Not over \$2,000 | 1.4% of taxable income |
| Over \$2,000 but not over \$4,000 | \$28.00 plus 3.20% of excess over \$2,000 |
| Over \$4,000 but not over \$8,000 | \$92.00 plus 5.50% of excess over \$4,000 |
| Over \$8,000 but not over \$12,000 | \$312.00 plus 6.40% of excess over \$8,000 |
| Over \$12,000 but not over \$16,000 | \$568.00 plus 6.80% of excess over \$12,000 |
| Over \$16,000 but not over \$20,000 | \$840.00 plus 7.20% of excess over \$16,000 |
| Over \$20,000 but not over \$30,000 | \$1,128.00 plus 7.60% of excess over \$20,000 |
| Over \$30,000 but not over \$40,000 | \$1,888.00 plus 7.90% of excess over \$30,000 |
| Over \$40,000. | \$2,678.00 plus 8.25% of excess over \$40,000 |

| | | |
|--------------------|--|--|
| Place QR Code Here | Name as shown on return | Federal Employer Identification Number |
| | NAME OF ORGANIZATIONXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX | 99-9999999 |

TAX COMPUTATION SCHEDULE

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