

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

**GENERAL INSTRUCTIONS**

*Note: If you are claiming the Ethanol Facility Tax Credit, no other credit can be claimed for the same taxable year.*

Section 235-110.2, Hawaii Revised Statutes (HRS), allows 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, 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.

The amount of the credit for the taxable year shall be equal to ten per cent 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.

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 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.

All claims for tax credits, including any amended claims, shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credits may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.

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.

**How to Obtain Tax Forms and Publications**

To request tax forms and publications by mail, you may call 808-587-7572 or toll-free 1-800-222-7572.

Tax forms and publications are also available on the Internet. The Department of Taxation's site on the Internet is:  
[www.hawaii.gov/tax](http://www.hawaii.gov/tax)

**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 13 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 tax 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 Form 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. Call 831-7957 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 who has passed the school repair and maintenance tax credit through to the taxpayer. If additional space is needed, include the information on an attached schedule.

**Line 12** — This line is for the carryover of unused school repair and maintenance tax credit from prior years.

**Line 13** — Add lines 10 through 12. This is your tentative current year school repair and maintenance contribution tax credit.

Estates and trusts: The credit on line 13 is to be allocated between the estate or trust and the beneficiaries in the proportion of the income allocable to each party. In the space above "Tax Liability Limitations" enter the credit allocable to the estate or trust with the designation "N-40 PORTION". Attach Form N-330 to the N-40 return and show the distributive share of the credit for each beneficiary.

Form N-20 and N-35 filers, stop here. Form N-20 filers, enter the amount on line 13 on Schedule K, line 21. Form N-35 filers, enter the amount on line 13 on Schedule K, line 12j. Form N-40 filers, enter the distributive share amount on line 9 of Schedule K-1, Form N-40, for each beneficiary, otherwise, continue to line 14. All others, continue to line 14.

**Tax Liability Limitations**

**Line 14** — Enter the tax liability before any credits from the appropriate line on your tax return.

**Line 15** — Complete the **Credit Worksheet** below and enter the result on line 15.

**Line 17** — Compare the amounts on lines 13 and 16. Enter the smaller of line 13 or 16 here. This is your maximum credit allowed for this taxable year.

**Line 18** — The tax credit shall be claimed against your net income tax liability for the taxable year in which the contribution is made. The amount of the credit which exceeds your tax liability may be carried over to subsequent years until exhausted.

**CREDIT WORKSHEET**

Tax Credit	Amount
a. Ethanol Facility Tax Credit . . .	_____
b. Income Taxes Paid to another state or foreign country . . . . .	_____
c. Enterprise Zone Tax Credit . . .	_____
d. Carryover of the Energy Conservation Tax Credit . . . . .	_____
e. Credit for Employment of Vocational Rehabilitation Referrals . . . . .	_____
f. Carryover of the Individual Development Account Contribution Tax Credit . . . . .	_____
g. Add lines a through f. Enter the amount here and on line 15 . . . . .	_____