STATE OF HAWAII—DEPARTMENT OF TAXATION

THIS SPACE FOR DATE RECEIVED STAMP

FORM
N-35
(REV. 2016)

S CORPORATION INCOME TAX RETURN

For calendar year 2016

or other tax year beginning ● _____ , 2016

and ending ● _____ , 20 ____

SBT161

☐ AMENDED Return

• PRINT OR TYPE •

Name	● Federal Employer I.D. No.
Dba or C/O	● Business Activity Code (Use code shown on federal Form 1120S)
Address (number and street)	● Hawaii Tax I.D. No.
City or town, State, and Postal/ZIP Code. If foreign address, see Instructions.	Enter the number of Schedules NS attached to this return ●

Is the corporation electing to be an S corporation beginning with this tax year? . . . . . ☐ Yes ☐ No

Check if: **(1)** ☐ Initial Return **(2)** ☐ Final Return **(3)** ☐ S Election Termination or Revocation **(4)** ☐ Name Change **(5)** ☐ Address Change **(6)** ☐ IRS Adjustment

How many months in 2016 was this corporation in operation?_____ Was this corporation in operation at the end of 2016? . . ☐ Yes ☐ No

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

Attach Forms N-4 and Payment Here

INCOME	1	a Gross receipts or sales (see Instructions)	1a●	00		
		b Returns and allowances	1b●	00		
		c Line 1a minus line 1b ➤			1c●	00
	2	Cost of goods sold (Schedule A, line 8)			2●	00
	3	Gross profit (line 1c minus line 2)			3●	00
	4	Net gain or (loss) from Schedule D-1, Part II, line 19 (attach Schedule D-1)			4●	00
	5	Other income (see Instructions) (attach schedule)			5●	00
	6	TOTAL income (loss) — Add lines 3 through 5 and enter here ➤			6●	00
DEDUCTIONS	7	Compensation of officers			7	00
	8	Salaries and wages (less employment credit)			8	00
	9	Repairs and maintenance			9	00
	10	Bad debts (see Instructions)			10	00
	11	Rents			11	00
	12	Taxes and licenses (attach schedule)			12	00
	13	Interest			13	00
	14	Depreciation from federal Form 4562 not claimed elsewhere on return (see Instructions)			14	00
	15	Depletion (Do not deduct oil and gas depletion. See Instructions.)			15	00
	16	Advertising			16	00
	17	Pension, profit-sharing, etc. plans			17	00
	18	Employee benefit programs			18	00
	19	Other deductions (attach schedule)			19	00
	20	TOTAL deductions — Add lines 7 through 19 and enter here ➤			20●	00
	21	Ordinary income (loss) from trade or business activities — line 6 minus line 20 (To Sch. K, line 1)			21●	00

Please Sign Here

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 | Type or print name and title of officer

★ **May the Hawaii Department of Taxation discuss this return with the preparer shown below?** . . . . . ☐ Yes ☐ No

(See page 3 of the Instructions) ***This designation does not replace Form N-848, Power of Attorney.***

Paid Preparer's Information				
	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 Postal/ZIP Code		Federal E.I. No. ➤	
			Phone no. ➤	

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Name as shown on return	Federal Employer Identification Number

TAX & PAYMENTS

22	a	Excess net passive income tax (attach schedule(s))	22a●		00		
	b	Tax from Schedule D (Form N-35), line 23	22b●		00		
	c	Number of N-4's attached ●_____Taxes withheld on attached N-4's	22c●		00		
	d	LIFO recapture tax	22d●		00		
	e	Add lines 22a, 22b, 22c, and 22d				22e●	00
23	a	2015 overpayment allowed as a credit	23a●		00		
	b	2016 estimated tax payments from N-3s_____ and N-288s_____	23b●		00		
	c	Payments with extension	23c●		00		
	d	Amount due on attached Form N-4's	23d●		00		
	e	Add lines 23a, 23b, 23c, and 23d				23e●	00
24		Underpayment of estimated tax penalty. (see Instructions) Check if Form N-220 is attached ➤ ● ☐				24●	00
25		OVERPAYMENT (If line 23e is larger than the total of lines 22e and 24), enter AMOUNT OVERPAID				25●	00
26		Enter amount of line 25 you want **Credited to 2017 estimated tax ➤ 26a** $●_____00 **Refunded ➤**				26b●	00
27		TAX DUE (If the total of lines 22e and 24 is larger than line 23e) enter the amount due				27●	00
28		**PAYMENT DUE** (Add lines 23d and 27.) (see Instructions)				28	00
AMENDED RETURN 29		Amount paid (overpaid) on original return — **AMENDED RETURN ONLY**				29	00
30		**BALANCE DUE (REFUND) with amended return** (See Instructions)				30	00

Schedule A Cost of Goods Sold (See Instructions for Schedule A)

1	Inventory at beginning of year	1	00
2	Purchases	2	00
3	Cost of labor	3	00
4	Additional IRC section 263A costs (see federal Instructions and attach a schedule)	4	00
5	Other costs (attach schedule)	5	00
6	Total—Add lines 1 through 5 ➤	6	00
7	Inventory at end of year	7	00
8	Cost of goods sold—Line 6 minus line 7. (Enter here and on page 1, line 2) ➤	8	00

9 a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Treasury Regulations section 1.471-3.

(ii) ☐ Lower of cost or market as described in Treasury Regulations section 1.471-4 (see Instructions)

(iii) ☐ Other (specify method used and attach explanation) ➤

b Check if there was a writedown of subnormal goods as described in Treasury Regulations section 1.471-2(c) ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach federal Form 970) ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach explanation.

Schedule B Other Information

1 Check method of accounting: **a** ☐ Cash **b** ☐ Accrual **c** ☐ Other (specify) ➤_____

2 **a** Date of incorporation _____ **b** Date business began in Hawaii _____
c Under laws of _____ **d** Date of federal election as an S corporation _____

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 ➤_____ ; Product or service ➤ _____

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? ☐ Yes ☐ No

5 Enter the number of shareholders in the corporation at the end of the tax year who are:
residents of Hawaii _____ nonresidents of Hawaii _____.

6 Did the corporation derive income from sources outside Hawaii which is not includable in the Hawaii return? ☐ Yes ☐ 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. $_____.

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Name as shown on return	Federal Employer Identification Number

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)		1	
2	Net income (loss) from rental real estate activities (attach federal Form 8825)		2	
3 a	Gross income from other rental activities		3a	
b	Expenses from other rental activities (attach schedule)		3b	
c	Net income (loss) from other rental activities. Line 3a minus line 3b		3c	
4	Interest income		4	
5	Ordinary dividends		5	
6	Royalty income		6	
7	Net short-term capital gain (loss) (Schedule D (Form N-35))		7	
8	Net long-term capital gain (loss) (Schedule D (Form N-35))		8	
9	Net gain (loss) under IRC section 1231 (attach Schedule D-1)		9	
10	Other income (loss) (attach schedule)		10	
Deductions				
11	Charitable contributions (attach schedule)		11	
12	IRC section 179 expense deduction (attach federal Form 4562)		12	
13	Deductions related to portfolio income (loss) (attach schedule)		13	
14	Other deductions (attach schedule)		14	
Investment Interest				
15 a	Interest expense on investment debts paid or accrued in 2016		15a	
b	**(1)** Investment income included on lines 4, 5, and 6, above		15b(1)	
	(2) Investment expenses included on line 13, above		15b(2)	
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)		16d	
e	Credit for Employment of Vocational Rehabilitation Referrals (attach Form N-884)		16e	
f	Motion Picture, Digital Media, and Film Production Income Tax Credit (attach Form N-340)		16f	
g	Credit for School Repair and Maintenance (attach Form N-330)		16g	
h	Ethanol Facility Tax Credit (attach Form N-324)		16h	
i	Renewable Energy Technologies Income Tax Credit (attach Form N-342)		16i	
j	Important Agricultural Land Qualified Agricultural Cost Tax Credit (attach Form N-344)		16j	
k	Tax Credit for Research Activities (attach Form N-346)		16k	
l	Capital Infrastructure Tax Credit (attach Form N-348)		16l●	
m	Cesspool Upgrade, Conversion or Connection Income Tax Credit (attach Form N-350)		16m	
n	Hawaii income tax withheld on Forms N-288 (See Instructions)		16n	
o	Total Hawaii income tax withheld on Forms N-4		16o	
p	Net income tax paid by the S corporation to states which do not recognize the corporation's "S" status. Identify state(s)		16p	
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 _____		17	
18	Tax exempt interest income		18	
19	Other tax exempt income		19	
20	Non-deductible expenses		20	
21	Other items and amounts not included on lines 1 through 20, above, that are required to be reported separately to shareholders (attach schedule)		21	
22	Total dividend distributions paid from accumulated earnings and profits		22	
23	Income (loss) — Combine lines 1 through 10. From the result, subtract the sum of lines 11 through 15a		23	
24	Corporate adjustments to income attributable to Hawaii (attach schedule)		24	
25	Interest penalty on early withdrawal of savings		25	

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Name as shown on return	Federal Employer Identification Number

Schedules L, M-1, and M-2 **Attach a copy of page 4 of federal Form 1120S to this return.** Attach Sch. M-3, if applicable.

Schedule N **List of Shareholders** (Attach a separate sheet if more space is needed)

Name and Address	SSN or FEIN	No. of shares owned at all times during the year	State of Residence	Year Sch. NS filed, if any (Indicate if revoked)	Amount of Payment on Form N-4 attached
1					
2					
3					

Schedule O **Apportionment of Income (See Attributable to Hawaii in the Instructions.)**

1 Ordinary income (loss) from trade or business activities (From page 1, line 21) . . . . . .

2 Apportionment factor (from Schedule P, line 8) . . . . . %

3 Business income apportioned to Hawaii (line 1 multiplied by line 2) (To Schedule K, line 1, col. b) . . . . . .

4 Business income apportioned elsewhere (line 1 minus line 3). (To Schedule K, line 1, col. c) . . . . . .

5 Are the totals of columns b and c, Schedule K, lines 2 through 6, and the amounts shown on Schedule P, column B, the same as those reported in returns or reports to other states under the Uniform Division of Income for Tax Purposes Act? . . . . . ☐ Yes ☐ No

If "No", please explain_____

Schedule P **Computation of Apportionment Factors (See Attributable to Hawaii in the Instructions.)**

Property — (use original cost)	In Hawaii		Total Everywhere	
	Beginning of taxable year	End of taxable year	Beginning of taxable year	End of taxable year
Land				
Buildings				
Inventories				
Leasehold interests*				
Rented Property*				
Other Property				
Total				

* Enter net annual rent X 8.

		A. In Hawaii	B. Everywhere	
1	Property values (average value of property above)			
2	Property factor (line 1, col. A divided by line 1, col. B)			%
3	Total compensation.			
4	Payroll factor (line 3, col. A divided by line 3, col. B)			%
5	Total sales			
6	Sales factor (line 5, col. A divided by line 5, col. B).			%
7	Total of factors (add lines 2, 4, and 6)			%
8	Average of factors (divide line 7 by 3) (To Schedule O, line 2)			%

Designation of Tax Matters Person (See Instructions.)

Enter below the shareholder designated as the tax matters person (TMP) for the tax year of this return, if one has been designated:

Name of designated TMP ➡ Identifying number of TMP ➡

Address of designated TMP ➡