

STATE OF HAWAII — DEPARTMENT OF TAXATION  
**Beneficiary's Share of Income, Deductions, Credits, etc.**  
**Calendar Year 2025**



N40SCHK1\_I 2025A 01 VID01

or fiscal year beginning \_\_\_\_\_, 2025 and ending \_\_\_\_\_, 20\_\_\_\_\_

COMPLETE A SEPARATE SCHEDULE K-1 FOR EACH BENEFICIARY

Name of trust or decedent's estate ►	<input type="checkbox"/> Amended K-1 <input type="checkbox"/> Final K-1
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<b>Beneficiary's identifying number ►</b>	<b>Estate's or trust's EIN ►</b>	
Beneficiary's name, mailing address and Postal/ZIP Code	Fiduciary's name, mailing address, and Postal/ZIP Code	
(a) Allocable share item	(b) Amount	(c) Calendar year 2025 Form N-11*/N-15** filers enter the amounts in column (b) on:
1 Interest . . . . .		Interest Worksheet (N-15)
2 Ordinary Dividends. . . . .		Form N-15, line 9
3 a Net short-term capital gain . . . . .		Capital Gain/Loss Worksheet, line 2 (N-15)
b Net long-term capital gain . . . . .		Capital Gain/Loss Worksheet, line 9 (N-15)
4 a Annuities, royalties, and other nonpassive income before directly apportioned deductions. . . . .		Form N-15, line 17
b Depreciation . . . . .		Include on applicable line of appropriate tax form
c Depletion . . . . .		
d Amortization . . . . .		
5 a Trade or business, rental real estate, and other rental income before directly apportioned deductions. (see Instructions). . . . .		Form N-15, line 17
b Depreciation . . . . .		Include on applicable line of appropriate tax form
c Depletion . . . . .		
d Amortization . . . . .		
6 Net income taxes paid to another state or foreign country (list on a separate sheet). . . . .		See Instructions for Form N-11, lines 21b and 35 or Form N-15, lines 38b and 52
7 a Total cost of qualifying property for the Capital Goods Excise Tax Credit . . . . .		Form N-312
b Low-Income Housing Tax Credit . . . . .		Form N-586
c Tax Credit for Research Activities. . . . .		Form N-346
8 Deductions in the final year of trust or decedent's estate:		Worksheet A-6, line 25 (N-11); Worksheet NR-6, line 26 (N-15); or Worksheet PY-6, line 49 (N-15)
a Excess deductions on termination (see Instructions) . . . . .		Capital Gain/Loss Worksheet, line 5 (N-15)
b Short-term capital loss carryover . . . . .		Capital Gain/Loss Worksheet, line 12 (N-15)
c Long-term capital loss carryover . . . . .		Form N-15, line 19
d Net operating loss (NOL) carryover. . . . .		}
e . . . . .		Include on applicable line of appropriate tax form
f . . . . .		
9 Other (itemize):		
a Payments of estimated tax credited to you . . . . .		Form N-11, line 38; Form N-15, line 55
b Tax-exempt interest. . . . .		Form N-11, lines 10 and 18 or Form N-15, line 8
c Withholding of taxes on income of nonresident beneficiaries . . . . .		Form N-15, line 54
d Other . . . . .		Include on applicable line of appropriate tax form

**DISTRIBUTION OF INCOME NOT SUBJECT TO TAX IN HAWAII TO NONRESIDENT BENEFICIARIES — See Instructions**

10 Interest . . . . .		Include on applicable line on Form N-15, Column A
11 Dividends. . . . .		
12 Other intangible income (state nature of income) . . . . .		
13 Capital gain (loss) on intangibles. . . . .		

\* For Form N-11 filers, if your federal Schedule K-1 (Form 1041) and Hawaii Schedule K-1 (Form N-40) amounts are different, the necessary adjustments are to be made on the Hawaii Additions Worksheet and/or the Hawaii Subtractions Worksheet in the Form N-11 Instructions.

\*\* All referenced worksheets are located in the Form N-15 Instructions.

## Instructions for Beneficiary Filing Form N-11 or Form N-15

### Important Notes

For Form N-11 filers, if your federal Schedule K-1 (Form 1041) and Hawaii Schedule K-1 (Form N-40) amounts are different, the necessary adjustments are to be made on the Hawaii Additions Worksheet and/or the Hawaii Subtractions Worksheet in the Form N-11 Instructions.

All worksheets referenced below are located in the Form N-15 Instructions.

### General Instructions

**Name, Mailing Address, and Identifying Number.** — Your name, mailing address, and identifying number, the estate or trust name, mailing address, and identifying number should have been entered on the Schedule K-1 you received.

**Errors.** — If you believe the estate or trust has made an error on your Schedule K-1, notify the fiduciary of the estate or trust and ask for a corrected Schedule K-1. Do not change any items on your copy. Be sure that the estate or trust sends a copy of the corrected Schedule K-1 to the Hawaii Department of Taxation.

### Specific Instructions

If you are a nonresident beneficiary, see instructions for lines 10 through 13 below.

**Line 1. Interest.** — Report the amount from line 1 (Schedule K-1) on your Interest Worksheet.

**Line 2. Dividends.** — Report the amount from line 2 (Schedule K-1) on Form N-15, line 9.

**Lines 3a and 3b. Capital Gains.** — Report the amount from line 3a (Schedule K-1) on your Capital Gain/Loss Worksheet, line 2. Report the amount from line 3b (Schedule K-1) on your Capital Gain/Loss Worksheet, line 9. If there is an attachment to this Schedule K-1 that reports a disposition of a rental, rental real estate, or passive business activity, see the instructions for federal Form 8582 for information on the treatment of disposition of interests in a passive activity.

**Lines 5a through 5d.** — Internal Revenue Code (IRC) section 469 provides rules that limit deductions and credits derived from passive activities to the income derived from passive activities and the tax imposed on any net income from such activities. A trade or business activity in which you, as beneficiary of an estate or trust, do not materially participate is a passive activity.

**Caution:** The limitations on passive activity losses under IRC section 469 apply to estates and trusts. Federal rules for treating a beneficiary's income and directly allocable deductions from an estate or trust, and other rules for applying the passive loss limitations to beneficiaries have not been finalized. These rules will be provided in future federal regulations.

**Line 7a. Total cost of qualifying property for the Capital Goods Excise Tax Credit.** — Calculate your credit on Form N-312.

**Line 7b. Low-Income Housing Tax Credit.** — Calculate your credit on Form N-586.

**Line 7c. Tax Credit for Research Activities.** — Calculate your credit on Form N-346.

**Lines 8a through 8d. Deductions in the final year of trust or decedent's estate.** — If the fiduciary checked the "Final K-1" box at the top, you may be allowed to deduct excess deductions from the final year of the trust or decedent's estate and certain unused carryovers (subject to limitations) on your individual income tax return.

**Line 9a.** — For purposes of computing any underpayment and penalty on Form N-210, Underpayment of Estimated Tax by Individuals and Fiduciaries, you should treat the amount entered on line 9a as an estimated tax payment made on January 20, 2026. Attach a copy of this Schedule K-1 to the Hawaii income tax return you file to substantiate your credit.

**Line 9c.** — Report the amount from Schedule NT, Allocation of Withholding Payment to Nonresident Beneficiaries. This is your withholding of taxes on income of a nonresident beneficiary. Individual taxpayers, report the amount on Form N-15, line 54 and attach Form N-4T to your tax return.

**Line 9d.** — If you are claiming other credits that are not listed in lines 7a through 7c, report them on line 9d.

### Lines 10 through 13

**Nonresident Beneficiary.** — Lines 10 through 13 reflect the total interest, dividends, other intangible income, and capital gains or (losses) from the sale of intangibles not subject to tax in Hawaii.

Section 235-4.5(a), Hawaii Revised Statutes (HRS), excludes from gross income any intangible income, such as dividends and interest, earned by a trust sited in the State to the extent that, during the taxable year of the trust, the beneficial interest in the trust is held by a nonresident beneficiary or nonresident beneficiaries. This exclusion does not apply to income received from real property held in a land trust formed under Chapter 558, HRS.