

STATE OF HAWAII — DEPARTMENT OF TAXATION  
**INSTRUCTIONS FOR FORM N-172**  
CLAIM FOR TAX EXEMPTION BY PERSON WITH IMPAIRED SIGHT  
OR HEARING OR BY TOTALLY DISABLED PERSON  
AND PHYSICIAN'S CERTIFICATION

(NOTE: References to “married” and “spouse” are also references to “in a civil union” and “civil union partner,” respectively.)

## GENERAL INSTRUCTIONS

**Changes to Note** — Section 18-235-1.14, Hawaii Administrative Rules, was adopted in final form effective April 20, 2019. Under these rules, a taxpayer with gross earnings from self employment for the taxable year of \$60,000 or more does not qualify as a totally disabled person.

**Purpose of Form N-172** — Use Part I of Form N-172 to notify the Department of Taxation that you qualify to claim the special exemptions for persons with impaired sight or hearing or persons who are totally disabled. Part II of Form N-172 is used to certify blindness, deafness, or disability for tax purposes. Copies of Form N-172 should be retained by the taxpayer claiming the exemption and the physician, optometrist, etc., certifying the blindness, deafness, or disability. For real property tax purposes, contact the Real Property Assessment Division of the county in which the property is located.

This form should be submitted only once unless Part II, Section A, item 6; Section B, item 5; or Section C, item 4 indicates that the taxpayer needs to be re-examined. If re-examination is indicated, a new Form N-172 should be submitted for the year indicated.

**Telephone Service for the Hearing Impaired** — Telephone service for the hearing impaired (TDD/TTY) is available through the Oahu Taxpayer Services Branch at 808-587-1418 or toll-free at 1-800-887-8974.

**Applicant's Social Security Number** — The Internal Revenue Service (IRS) issues Individual Taxpayer Identification Numbers (ITINs) to certain aliens who are required to have a U. S. taxpayer identification number but who do not have, and are not eligible to obtain, a social security number. For Hawaii income tax purposes, the ITIN issued by the IRS for these individuals must be used as the individual's identification number.

**Signatures Required** — Form N-172 must be signed by both the taxpayer-claimant (on the front of the form) and by the certifying physician, optometrist, audiologist etc. (on the back of the form). Forms that are not signed are incomplete and will not be processed.

## DEFINITIONS

**“Blind”** means a person whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or whose visual acuity is greater than 20/200 but is accompanied by a limitation in the field of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

**“Deaf”** means a person whose average loss in the speech frequencies (500-2000 Hertz) in the better ear is 82 decibels, A.S.A., or worse.

PLEASE NOTE: For purposes of impairment certification, a qualified ophthalmologist, optometrist, or otolaryngologist may be licensed to practice in any state or a commissioned medical officer in the armed forces. Hearing impairment may be certified by an audiologist licensed under chapter 468E, Hawaii Revised Statutes (HRS).

**“Person totally disabled”** means a person who is totally and permanently disabled, either physically or mentally, which results in the person’s inability to engage in any substantial gainful business or occupation. The disability of a person claiming to be totally disabled must be certified in a three-step process.

First, there must be a medical determination that the person is totally disabled, either physically or mentally.

Second, the disability must be permanent. This means that at the time of certification the disability can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months. The 12 month requirement is inapplicable when the disability is determined to be a terminal state or where it does actually result in death.

Third, there must be a determination that the permanent and total disability results in the person’s inability to engage in any substantial gainful business or occupation. A taxpayer is engaged in substantial business or occupation if the work requires significant physical or mental activity. It shall be presumed that an individual whose net earned income is greater than \$30,000 for the taxable year, or whose gross earnings from self employment for the year are \$60,000 or more, is engaged in a substantial gainful business or occupation.

The disability shall be certified by (1) a physician licensed under chapter 453, HRS, (2) a qualified out-of-state physician who is currently licensed to practice in the state in which the physician resides, or (3) a commissioned medical officer in the United States Army, Navy, Marine Corps, or Public Health Service, engaged in the discharge of one’s official duty. See Tax Information Release No. 89-3 for more information.

Corporations, partnerships, or limited liability companies all of whose shareholders, partners, or members are blind, deaf, or totally disabled may also qualify for general excise tax benefits. The entity’s information should be completed on each shareholder’s, partner’s, or member’s certification form.

## HOW AND WHERE TO FILE

Submit the original and one copy of Form N-172 to the Hawaii Department of Taxation, ATTN: Licensing Section, P.O. Box 259, Honolulu, HI 96809-0259. Corporations, partnerships, or limited liability companies all of whose shareholders, partners, or members are blind, deaf, or totally disabled are to submit all Forms N-172 at one time. If the taxpayer has more than one general excise tax account that qualifies for the disability treatment, submit a separate Form N-172 for each such account.

If you are submitting Form N-172 in response to an adjustment letter denying the disability exemption because no exemption is on file, please send a copy of the adjustment letter along with Form N-172 to the address shown above.

## TAX BENEFITS

For information on tax benefits that are available under the General Excise Tax and/or Income Tax Laws for persons with impaired sight, impaired hearing, or who are totally disabled, refer to Tax Information Release No. 89-3.