

FORM <b>N-358</b> (REV. 2023)	<b>HEALTHCARE PRECEPTOR INCOME TAX CREDIT</b>	TAX YEAR <b>20</b> __
Or fiscal year beginning _____, 20____, and ending _____, 20____		

ATTACH TO FORM N-11 or N-15

Name as shown on Form N-11 or N-15	SSN
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**Part I CREDIT CERTIFICATE**

DEPARTMENT OF HEALTH CERTIFICATE (Completed by the Department of Health only)	
1. Name of taxpayer	2. SSN
3. Address (Number and street, including apartment number or rural route, city, state, and postal/zip code)	
4. Total qualified rotations: .....	
5. Amount of tax credit allowed for the taxable year .....	\$
This is to certify that the amounts noted above have been verified in accordance with section 235-110.25, Hawaii Revised Statutes.	
_____ Signature of Certifying Officer	_____ Date of Certification
_____ Type or Print Name and Title	 N358_I 2023A 01 VID01

**Part II COMPUTATION OF TAX CREDIT**

1 <b>Total New Credit Claimed</b> — Enter the tax credit allowed for the taxable year from Part I, line 5. Also enter this amount on Schedule CR in <b>Column (a)</b> of the appropriate line for this tax credit.....	1	
2 Carryover of unused healthcare preceptor income tax credit from prior year.....	2	
3 Tentative current year healthcare preceptor income tax credit — add lines 1 and 2.....	3	
4 <b>Adjusted Tax Liability</b> — enter your adjusted tax liability from Form N-11 or Form N-15 .....	4	
5 If you are claiming other nonrefundable tax credits, complete the worksheet on page 2 of the instructions and enter the total here. If you are not claiming other nonrefundable credits, enter zero .....	5	
6 Line 4 minus line 5. This represents your remaining tax liability. If the result is zero or less, enter zero.....	6	
7 <b>Total Credit Applied</b> — enter the smaller of line 3 or line 6. This is your healthcare preceptor income tax credit applied for the year. Also, enter this amount on Schedule CR in <b>Column (b)</b> of the appropriate line for this credit. ...	7	
8 <b>Unused Credit to Carryover</b> — Line 3 minus line 7. This represents your unused credit available to carryforward to be used against tax liability in subsequent tax years until exhausted. If this amount is more than zero, also enter this on Schedule CR in <b>Column (c)</b> of the appropriate line for this tax credit.....	8	

**GENERAL INSTRUCTIONS**

**PURPOSE OF FORM**

Use Form N-358 to figure and claim the healthcare preceptor income tax credit under section 235-110.25, Hawaii Revised Statutes (HRS).

**WHO MAY CLAIM THIS CREDIT**

For taxable years beginning AFTER December 31, 2018, each taxpayer who provides volunteer-based supervised clinical training rotations that are certified by the Department of Health may claim a nonrefundable healthcare preceptor income tax credit for the taxable year in which the taxpayer's qualified rotations are certified by the Department of Health.

**CREDIT REQUIREMENTS**

Section 235-110.25, HRS, provides that the amount of the credit is:

- (1) Equal to \$1,000 for each volunteer-based supervised clinical training rotation, up to a maximum of \$5,000 per taxable year, regardless of the number of volunteer-based supervised clinical training rotations supervised by the taxpayer.

To claim this credit, you must complete and attach to your Hawaii income tax return:

- (1) Form N-358 (Complete Part II and attach.)
- (2) Schedule CR

If the credit exceeds the taxpayer's net income tax liability, the excess of credit over liability may

be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted.

**DEADLINE FOR CLAIMING THE CREDIT**

The deadline to claim the credit, including amended claims, is 12 months after the close of your taxable year. You cannot claim or amend the credit after the deadline.

**DEFINITIONS FOR PURPOSES OF THE CREDIT**

"Academic program" means an academic degree granting program or graduate medical education program that:

- (1) Holds either its principal accreditation or a physical location in Hawaii; and
- (2) Provides education to students, of whom more than fifty percent are residents of Hawaii.

“Advanced practice registered nurse student” means an individual participating in a nationally accredited academic program that is for the education of advanced practice registered nurses and recognized by the state board of nursing pursuant to chapter 457.

“Eligible professional degree or training certificate” means a degree or certificate that fulfills a requirement to be a physician or osteopathic physician, pursuant to chapter 453, an advanced practice registered nurse, pursuant to chapter 457, or a pharmacist, pursuant to chapter 461.

“Eligible student” means an advanced practice registered nurse student, medical student, or pharmacy student who is enrolled in an academic program.

“Medical student” means an individual participating in a nationally accredited academic program leading to the medical doctor or doctor of osteopathy degree. “Medical student” includes graduates from nationally accredited academic programs who have continued their training, in the role of resident or fellow, to obtain the additional qualifications needed for medical licensure, pursuant to chapter 453, or specialty certification.

“Nationally accredited” means holding an institutional accreditation by name to offer post-secondary medical primary care education. Accreditation for medical students shall be offered by the Liaison Committee on Medical Education or American Osteopathic Association Commission on Osteopathic College Accreditation. Accreditation for advanced practice registered nurse students shall be offered by the Commission on Collegiate Nursing Education.

“Pharmacy student” means an individual participating in an academic program that is nationally accredited for the training of individuals to become registered pharmacists pursuant to chapter 461.

“Preceptor” means a physician or osteopathic physician, licensed pursuant to chapter 453, an advanced practice registered nurse, licensed pursuant to chapter 457, or a pharmacist, licensed pursuant to chapter 461, who is a resident of Hawaii and who maintains a professional primary care practice in this State.

“Primary care” means the principal point of continuing care for patients provided by a healthcare provider, including health promotion, disease prevention, health maintenance, counseling, patient education, diagnosis and treatment of acute and chronic illnesses, and coordination of other specialist care that the patient may need.

“Volunteer-based supervised clinical training rotation” means an uncompensated period of supervised clinical training of an eligible student that totals at least eighty hours of supervisory time annually, in which a preceptor provides personalized instruction, training, and supervision to an eligible student to enable the eligible student to obtain an eligible professional degree or training certificate.

**CERTIFICATION OF CREDITS**

The Department of Health shall:

- (1) Maintain records of the names, addresses, and license numbers of the taxpayers claiming the credit under this section;
- (2) Certify the number of volunteer-based supervised clinical training rotations each taxpayer conducted by:
  - (A) Verifying that the taxpayer meets the requirements to serve as a preceptor;
  - (B) Verifying the number of hours the taxpayer spent supervising an eligible student in each volunteer-based supervised clinical training rotation;
  - (C) Verifying that the eligible student was enrolled in an academic program in Hawaii; and
  - (D) Verifying that the taxpayer was uncompensated; and
- (3) Certify the amount of the tax credit for each taxpayer for each taxable year and the cumulative amount of the tax credit.

Upon each determination, the Department of Health shall issue a certificate to the taxpayer verifying the number of volunteer-based supervised clinical training rotations supervised by the taxpayer, the credit amount certified for the taxpayer for each taxable year, and the cumulative amount of the tax credits certified. The taxpayer shall file the certificate with the taxpayer’s tax return with the Department of Taxation. Notwithstanding the Department of Health’s certification authority, the Director of Taxation may audit and adjust the certification to conform to the facts.

If in any taxable year the annual amount of certified credits reaches \$1,500,000 in the aggregate, the Department of Health shall immediately discontinue certifying credits for that taxable year and notify the Department of Taxation. In no instance shall the Department of Health certify a total amount of credits exceeding \$1,500,000 per taxable year. To comply with this restriction, the Department of Health shall certify credits on a first come, first served basis.

The request for certification to claim the Healthcare Preceptor Income Tax Credit may be obtained by mail from:

Department of Health  
Preceptor Credit Assurance Committee  
651 Ilalo St.  
Medical Education Building, Room 224M  
Honolulu, HI 96813  
  
Phone: (808) 956-5211  
Email: ptc@hawaii.edu  
Website: preceptortaxcredit.hawaii.edu

**SPECIFIC INSTRUCTIONS**

**Part II, Computation of Tax Credit**

**Line 2** - This line is the carryover of unused healthcare preceptor income tax credit from the prior year.

**Line 3** - Add lines 1 and 2. This is your tentative current year healthcare preceptor income tax credit.

**Line 5** - Certain other tax credits must be used to offset a taxpayer’s tax liability before the healthcare preceptor income tax credit may be used. If you are claiming other nonrefundable tax credits, complete the **Credit Worksheet** below and enter the result on line 5. If you are not claiming any of the nonrefundable tax credits listed on the worksheet, enter zero on line 5.

**Line 7. Total Credit Applied** - Compare the amounts on lines 3 and 6. Enter the smaller of line 3 or 6 here, rounded to the nearest dollar here and in **Column (b)** on Schedule CR, line 29. This is your maximum credit allowed for the taxable year.

**Line 8. Unused Credit to Carryover** - This represents your carryover of healthcare preceptor income tax credit which exceeds your tax liability and may be used as a credit against your tax liability in subsequent years until exhausted. If this amount is more than zero, also enter it on Schedule CR, line 29, in **Column (c)**.

<b>HEALTHCARE PRECEPTOR INCOME TAX CREDIT WORKSHEET</b>	
<b>Tax Credit</b>	<b>Amount</b>
a. Income Taxes Paid to Another State or Foreign Country.....	_____
b. Enterprise Zone Tax Credit .....	_____
c. Pass-Through Entity Tax Credit .....	_____
d. Carryover of the Energy Conservation Tax Credit.....	_____
e. Credit for Employment of Vocational Rehabilitation Referrals .....	_____
f. Credit for School Repair and Maintenance .....	_____
g. Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed In Service Before July 1, 2009).....	_____
h. Renewable Energy Technologies Income Tax Credit (Nonrefundable) .....	_____
i. Carryover of the Cesspool Upgrade, Conversion or Connection Income Tax Credit .....	_____
j. Carryover of the Earned Income Tax Credit (Nonrefundable).....	_____
k. Add lines a through j. Enter the amount here and on Part II, line 5.....	_____