

STATE OF HAWAII — DEPARTMENT OF TAXATION  
**INSTRUCTIONS FOR FORM N-323**  
**CARRYOVER OF TAX CREDITS**

## GENERAL INSTRUCTIONS

Use Form N-323, Carryover of Tax Credits, to carry forward any amount of unused nonrefundable credits. The time to claim the original amount of these credits has expired and no NEW claims for the credits will be allowed.

**Note:** This form must be attached to the Schedule CR and both forms MUST be filed every year whether or not an amount of carryover credit is applied to the current year's tax liability.

## SPECIFIC INSTRUCTIONS

### Part I: Adjusted Tax Liability

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**Line 1** — Enter your adjusted tax liability.

- Form F-1 filers, enter the amount from Form F-1, line 71.
- Form N-11 filers, enter the amount from Form N-11, line 34.
- Form N-15 filers, enter the amount from Form N-15, line 51.
- Form N-30 filers, enter the amount from Form N-30, line 13.
- Form N-40 filers, enter the amount from Form N-40, Schedule G, line 3.
- Form N-70NP filers, enter the amount from Form N-70NP, line 19.

### Part II: Carryover of the Credit for Energy Conservation

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The energy conservation and residential construction and remodeling tax credits expired on June 30, 2003. You may claim the tax credit(s) only if you have a carryover of the tax credit(s) from a prior year and a proper claim of the credit(s) was made in the applicable prior year.

See Form N-342, Renewable Energy Technologies Income Tax Credit for Systems Placed in Service on or After July 1, 2009, for the credit available for current system installations. For systems installed and placed in service before July 1, 2009, you may claim the credit only if you have a carryover of the tax credit from a prior year.

**Line 2** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing an energy conservation tax credit. **Complete the Energy Conservation Tax Credit Worksheet** on page 3 and enter the result on line 2.

**Line 4** — This line is for the carryover of any unused energy conservation tax credit.

**Line 5. Total Credit Applied** — Compare the amounts on lines 3 and 4. Enter the smaller of line 3 or 4 here and on Schedule CR, line 13 in **Column (c)**. This is your maximum credit allowed for this taxable year.

**Line 6. Unused Credit to Carryover** — This represents your carryover of unused energy conservation tax credit which exceed 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 13, in **Column (d)**.

### Part III: Carryover of the Hotel Construction and Remodeling Tax Credit

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Each taxpayer subject to Hawaii's net income tax and transient accommodations tax was able to claim a hotel construction and remodeling tax credit for a qualified hotel facility located in Hawaii. A nonrefundable tax credit of 10 percent was available for qualified construction or renovation costs incurred after November 1, 2001, but before July 1, 2003. The credit changed to a refundable 4 percent credit for qualified construction or renovation costs incurred after June 30, 2003 through December 31, 2005. See Department of Taxation Announcement No. 2001-20.

The hotel construction and remodeling tax credit is not available for taxable years beginning after December 31, 2005. However, you may claim the credit

only if you have a carryover of the credit for costs incurred after November 1 2001, but before July 1, 2003, and a proper claim of the credit was made in the applicable prior year.

**Line 7** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a hotel construction and remodeling tax credit. **Complete the Hotel Construction and Remodeling Tax Credit Worksheet** on page 3 and enter the result on line 7.

**Line 9** — This line is for the carryover of any unused hotel construction and remodeling tax credit.

**Line 10. Total Credit Applied** — Compare the amounts on lines 8 and 9. Enter the smaller of line 8 or 9 here and on Schedule CR, line 17 in **Column (c)**. This is your maximum credit allowed for this taxable year.

**Line 11. Unused Credit to Carryover** — This represents your carryover of unused hotel construction and remodeling tax credit which exceed your tax liability and may be used as a credit against your tax liability in subsequent years until exhausted. If the amount is more than zero, also enter it on Schedule CR, line 17, in **Column (d)**.

### Part IV: Carryover of the Cesspool Upgrade, Conversion or Connection Income Tax Credit

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The cesspool upgrade, conversion or connection income tax credit expired on December 31, 2020. You may claim the credit only if you have a carryover of the credit from a prior year and a proper claim of the credit was made in the applicable prior year.

**Line 12** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a cesspool upgrade, conversion or connection income tax credit. **Complete the Cesspool Upgrade, Conversion or Connection Income Tax Credit Worksheet** on page 3 and enter the result on line 12.

**Line 14** — This line is for the carryover of any unused cesspool upgrade, conversion or connection income tax credit.

**Line 15. Total Credit Applied** — Compare the amounts on lines 13 and 14. Enter the smaller of line 13 or 14 here and on Schedule CR, line 15 in **Column (c)**. This is your maximum credit allowed for this taxable year.

**Line 16. Unused Credit to Carryover** — This represents your carryover of unused cesspool upgrade, conversion or connection income tax credit which exceed 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 15, in **Column (d)**.

### Part V: Carryover of the Residential Construction and Remodeling Tax Credit

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**Line 17** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a residential construction and remodeling tax credit. **Complete the Residential Construction and Remodeling Tax Credit Worksheet** on page 3 and enter the result on line 17.

**Line 19** — This line is for the carryover of any unused residential construction and remodeling tax credit.

**Line 20. Total Credit Applied** — Compare the amounts on lines 18 and 19. Enter the smaller of line 18 or 19 here and on Schedule CR, line 18 in **Column (c)**. This is your maximum credit allowed for this taxable year.

**Line 21. Unused Credit to Carryover** — This represents your carryover of unused residential construction and remodeling tax credit which exceed 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 18, in **Column (d)**.

## Part VI: Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed In Service Before July 1, 2009)

**Line 22** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a renewable energy technologies income tax credit (for systems installed and placed in service before July 1, 2009). **Complete the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed In Service Before July 1, 2009) Worksheet** on page 4 and enter the result on line 22.

**Line 24** — This line is for the carryover of any unused renewable energy technologies income tax credit (for systems installed and placed in service before July 1, 2009).

**Line 25. Tax Credit Applied** — Compare the amounts on lines 23 and 24. Enter the smaller of line 23 or 24 here and on Schedule CR, line 19 in **Column (c)**. This is your maximum credit allowed for this taxable year.

**Line 26. Unused Credit to Carryover** — This represents your carryover of unused renewable energy technologies income tax credit (for systems installed and placed in service before July 1, 2009) which exceed 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 19, in **Column (d)**.

## Part VII: Carryover of the Technology Infrastructure Renovation Tax Credit

The technology infrastructure renovation tax credit expired on December 31, 2010. You may claim the credit only if you have a carryover of the credit from a prior year and a proper claim of the credit was made in the applicable prior year.

**Line 27** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a technology infrastructure renovation tax credit. **Complete the Technology Infrastructure Renovation Tax Credit Worksheet** on page 4 and enter the result on line 27.

**Line 29** — This line is for the carryover of any unused technology infrastructure renovation tax credit.

**Line 30. Total Credit Applied** — Compare the amounts on lines 28 and 29. Enter the smaller of line 28 or 29 here and on Schedule CR, line 16 in **Column (c)**. This is your maximum credit allowed for this taxable year.

**Line 31. Unused Credit to Carryover** — This represents your carryover of unused technology infrastructure renovation tax credit which exceed 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 16, in **Column (d)**.

## Part VIII: Carryover of the High Technology Business Investment Tax Credit

The high technology business investment tax credit expired on December 31, 2010. You may claim the credit only if you have a carryover of the credit from a prior year and a proper claim of the credit was made in the applicable prior year.

**Line 32** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a high technology business investment tax credit. **Complete the High Technology Business Investment Tax Credit Worksheet** on page 4 and enter the result on line 32.

**Line 34** — This line is for the carryover of any unused high technology business investment tax credit.

**Line 35. Total Credit Applied** — Compare the amounts on lines 33 and 34. Enter the smaller of line 33 or 34 here and on Schedule CR, line 14 in **Column (c)**. This is your maximum credit allowed for this taxable year.

**Line 36. Unused Credit to Carryover** — This represents your carryover of unused high technology business investment tax credit which exceed 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 14, in **Column (d)**.

## Part IX: Carryover of the Organic Foods Production Tax Credit

The organic foods production tax credit expired on December 31, 2021. You may claim the credit only if you have a carryover of the credit from a prior year and a proper claim of the credit was made in the applicable prior year.

**Line 37** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing an organic foods production tax credit. **Complete the Organic Foods Production Tax Credit Worksheet** on page 5 and enter the result on line 37.

**Line 39** — This line is for the carryover of any unused organic foods production tax credit.

**Line 40. Total Credit Applied** — Compare the amounts on lines 38 and 39. Enter the smaller of line 38 or 39 here and on Schedule CR, line 20 in **Column (c)**. This is your maximum credit allowed for this taxable year.

**Line 41. Unused Credit to Carryover** — This represents your carryover of unused organic foods production tax credit which exceed 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 20, in **Column (d)**.

## Part X: Carryover of the Renewable Fuels Production Tax Credit (For Tax Years Before January 1, 2022)

The renewable fuels production tax credit (for tax years before January 1, 2022) expired on December 31, 2021. You may claim the credit only if you have a carryover of the credit from a prior year and a proper claim of the credit was made in the applicable prior year.

**Line 42** — The law requires that ALL other credits offset a taxpayer's tax liability BEFORE allowing a renewable fuels production tax credit (for tax years before January 1, 2022). **Complete the Renewable Fuels Production Tax Credit (For Tax Years Before January 1, 2022) Worksheet** on page 5 and enter the result on line 42.

**Line 44** — This line is for the carryover of any unused renewable fuels production tax credit (for tax years before January 1, 2022).

**Line 45. Total Credit Applied** — Compare the amounts on lines 43 and 44. Enter the smaller of line 43 or 44 here and on Schedule CR, line 21 in **Column (c)**. This is your maximum credit allowed for this taxable year.

**Line 46. Unused Credit to Carryover** — This represents your carryover of unused renewable fuels production tax credit (for tax years before January 1, 2022) which exceed 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 21, in **Column (d)**.

# Worksheets

### PART II — ENERGY CONSERVATION TAX CREDIT WORKSHEET

Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country.....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Add lines a through b. Enter the amount here and on line 2.....	=====

### PART III — HOTEL CONSTRUCTION AND REMODELING TAX CREDIT WORKSHEET

Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country.....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed in Service Before July 1, 2009).....	_____
g. Renewable Energy Technologies Income Tax Credit (Nonrefundable) ..	_____
h. Carryover of the Cesspool Upgrade, Conversion, or Connection Income Tax Credit.....	_____
i. Carryover of the Earned Income Tax Credit (Nonrefundable).....	_____
j. Healthcare Preceptor Tax Credit .....	_____
k. Historic Preservation Income Tax Credit .....	_____
l. Pass-Through Entity Tax Credit.....	_____
m. Low-Income Housing Tax Credit .....	_____
n. Carryover of the High Technology Business Investment Tax Credit.....	_____
o. Carryover of the Technology Infrastructure Renovation Tax Credit .....	_____
p. Carryover of the Residential Construction and Remodeling Tax Credit .....	_____
q. Add lines a through p. Enter the amount here and on line 7.....	=====

### PART IV — CESSPOOL UPGRADE, CONVERSION OR CONNECTION INCOME TAX CREDIT WORKSHEET

Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country.....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed in Service Before July 1, 2009).....	_____
g. Renewable Energy Technologies Income Tax Credit (Nonrefundable) ..	_____
h. Add lines a through g. Enter the amount here and on line 12.....	=====

### PART V — RESIDENTIAL CONSTRUCTION AND REMODELING TAX CREDIT WORKSHEET

Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country.....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed in Service Before July 1, 2009).....	_____
g. Renewable Energy Technologies Income Tax Credit (Nonrefundable) ..	_____
h. Carryover of the Cesspool Upgrade, Conversion, or Connection Income Tax Credit.....	_____
i. Carryover of the Earned Income Tax Credit (Nonrefundable).....	_____
j. Healthcare Preceptor Tax Credit .....	_____
k. Historic Preservation Income Tax Credit .....	_____
l. Pass-Through Entity Tax Credit.....	_____
m. Low-Income Housing Tax Credit .....	_____
n. Carryover of the High Technology Business Investment Tax Credit.....	_____
o. Carryover of the Technology Infrastructure Renovation Tax Credit .....	_____
p. Add lines a through o. Enter the amount here and on line 17.....	=====

## Worksheets (continued)

**PART VI — RENEWABLE ENERGY TECHNOLOGIES INCOME TAX CREDIT (FOR SYSTEMS INSTALLED AND PLACED IN SERVICE BEFORE JULY 1, 2009)  
TAX CREDIT WORKSHEET**

Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country .....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Add lines a through e. Enter the amount here and on line 22.....	=====

**PART VII — TECHNOLOGY INFRASTRUCTURE RENOVATION TAX CREDIT WORKSHEET**

Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country .....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed in Service Before July 1, 2009) .....	_____
g. Renewable Energy Technologies Income Tax Credit (Nonrefundable) ..	_____
h. Carryover of the Cesspool Upgrade, Conversion, or Connection Income Tax Credit.....	_____
i. Carryover of the Earned Income Tax Credit (Nonrefundable) .....	_____
j. Healthcare Preceptor Tax Credit .....	_____
k. Historic Preservation Income Tax Credit .....	_____
l. Pass-Through Entity Tax Credit.....	_____
m. Low-Income Housing Tax Credit .....	_____
n. Carryover of the High Technology Business Investment Tax Credit.....	_____
o. Add lines a through n. Enter the amount here and on line 27.....	=====

**PART VIII — HIGH TECHNOLOGY BUSINESS INVESTMENT TAX CREDIT WORKSHEET**

Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country .....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed in Service Before July 1, 2009) .....	_____
g. Renewable Energy Technologies Income Tax Credit (Nonrefundable) ..	_____
h. Carryover of the Cesspool Upgrade, Conversion, or Connection Income Tax Credit .....	_____
i. Carryover of the Earned Income Tax Credit (Nonrefundable) .....	_____
j. Healthcare Preceptor Tax Credit .....	_____
k. Historic Preservation Income Tax Credit .....	_____
l. Pass-Through Entity Tax Credit.....	_____
m. Low-Income Housing Tax Credit .....	_____
n. Add lines a through m. Enter the amount here and on line 32.....	=====

## Worksheets (continued)

<b>PART IX — ORGANIC FOODS PRODUCTION TAX CREDIT WORKSHEET</b>	
Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country .....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed in Service Before July 1, 2009) .....	_____
g. Renewable Energy Technologies Income Tax Credit (Nonrefundable) ..	_____
h. Carryover of the Cesspool Upgrade, Conversion, or Connection Income Tax Credit.....	_____
i. Carryover of the Earned Income Tax Credit (Nonrefundable).....	_____
j. Healthcare Preceptor Tax Credit .....	_____
k. Historic Preservation Income Tax Credit.....	_____
l. Pass-Through Entity Tax Credit.....	_____
m. Low-Income Housing Tax Credit .....	_____
n. Carryover of the High Technology Business Investment Tax Credit.....	_____
o. Carryover of the Technology Infrastructure Renovation Tax Credit .....	_____
p. Carryover of the Residential Construction and Remodeling Tax Credit.....	_____
q. Carryover of the Hotel Construction and Remodeling Tax Credit.....	_____
r. Carryover of the Capital Infrastructure Tax Credit .....	_____
s. Carryover of the Renewable Fuels Production Tax Credit (For Tax Years Before January 1, 2022) .....	_____
t. Add lines a through s. Enter the amount here and on line 37.....	_____

<b>PART X — RENEWABLE FUELS PRODUCTION TAX CREDIT (FOR TAX YEARS BEFORE JANUARY 1, 2022) WORKSHEET</b>	
Tax Credit	Amount
a. Income Taxes Paid to Another State or Foreign Country .....	_____
b. Enterprise Zone Tax Credit.....	_____
c. Carryover of the Energy Conservation Tax Credit.....	_____
d. Credit for Employment of Vocational Rehabilitation Referrals.....	_____
e. Credit for School Repair and Maintenance.....	_____
f. Carryover of the Renewable Energy Technologies Income Tax Credit (For Systems Installed and Placed in Service Before July 1, 2009) .....	_____
g. Renewable Energy Technologies Income Tax Credit (Nonrefundable) ..	_____
h. Carryover of the Cesspool Upgrade, Conversion, or Connection Income Tax Credit.....	_____
i. Carryover of the Earned Income Tax Credit (Nonrefundable).....	_____
j. Healthcare Preceptor Tax Credit .....	_____
k. Historic Preservation Income Tax Credit.....	_____
l. Pass-Through Entity Tax Credit.....	_____
m. Low-Income Housing Tax Credit .....	_____
n. Carryover of the High Technology Business Investment Tax Credit.....	_____
o. Carryover of the Technology Infrastructure Renovation Tax Credit .....	_____
p. Carryover of the Residential Construction and Remodeling Tax Credit.....	_____
q. Carryover of the Hotel Construction and Remodeling Tax Credit.....	_____
r. Carryover of the Capital Infrastructure Tax Credit .....	_____
s. Add lines a through r. Enter the amount here and on line 42.....	_____