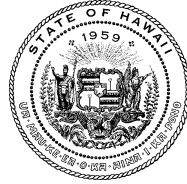


DAVID Y. IGE  
GOVERNOR

JOSH GREEN M.D.  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1577  
FAX NO: (808) 587-1584

ISAAC W. CHOY  
DIRECTOR OF TAXATION

September 27, 2022

## **DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2022-07**

RE: Suspension of Failure to Electronically File (e-file) Penalty for Corporate Income Tax Returns (Form N-30) for Tax Years Beginning on or After January 1, 2022

This Announcement supersedes Tax Announcement No. 2019-10, which required Form N-30 to be filed electronically for taxable years beginning on or after January 1, 2020.

Currently, Form N-30, including schedules and attachments, may be e-filed through the Modernized e-File Program administered by the Internal Revenue Service (IRS). However, IRS restrictions, as well as software restrictions, prevent many corporate taxpayers from electronically filing. Accordingly, the Department of Taxation will suspend the requirement that Form N-30 be submitted electronically.

With the suspension of the mandatory e-filing requirement for Form N-30, the two percent penalty for failure to e-file will also suspend for tax years beginning on or after January 1, 2022<sup>1</sup>. Taxpayers who were prohibited from e-filing Form N-30 due to IRS or software restrictions, may request the waiver from the e-filing mandate by completing and submitting Form L-110, Electronic Filing or Payment Exemption Application, before the due date of their Form N-30. Form L-110 can be found at [https://files.hawaii.gov/tax/forms/2021/1110\\_i.pdf](https://files.hawaii.gov/tax/forms/2021/1110_i.pdf).

Although e-filing is currently not required, the Department would prefer that Form N-30 be filed electronically when possible. The Department will periodically reevaluate the status of the software restrictions and will reinstate the mandatory e-filing requirement when the problems have been alleviated. For a list of approved e-filing software, visit <https://tax.hawaii.gov/eservices/software>.

/s/

ISAAC W. CHOY  
Director of Taxation

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<sup>1</sup> Failure to e-File penalty is calculated on total tax due (Form N-30, Line 11). If the total tax due is zero, there is no failure to e-File penalty if you file by paper.