

**STATE OF HAWAII
DEPARTMENT OF TAXATION**



**FORMS APPROVAL
DEADLINE IS
DECEMBER 31, 2011**

**General Information
and Key From Image Specifications
for
Form N-288C (Rev. 2011)**

Contact Information

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**Hawaii Software Vendor Website
Address:**

www.hawaii.gov/tax/vendor/vendor.htm

Note: Reproduced forms must meet the requirements as established in this document and our current Forms Reproduction Policy.

FORM N-288C (Rev. 2011)

General Information and Key From Image Specifications

This document provides software vendors with the requirements for reproducing Form N-288C. Form N-288C requires manually keying data from the image or KFI. A 1D barcode must be present on page 1 of the form.

The form must be an exact replica of the official version of the form with respect to layout, data dots, shading and content.

Substitute KFI forms MUST meet the requirements as established in this document and our current Forms Reproduction Policy, and be approved prior to release or distribution.

GENERAL INFORMATION

1. Substitute Form

- Photocopies of the form must not be submitted to the Department for processing. This will distort the 1D barcode.

2. Paper and Ink

- The paper size is 8.5 inches by 11 inches, the same size as the Department's original form. The paper weight must be at least 20 pound white bond and the page orientation is portrait.
- Black ink should be used in printing the text on the form and the variable data.

3. Variable Data

- All variable data fields must utilize 12 pt Courier font, and all variable text data must be in uppercase letters. Text labels must not touch variable data.

4. Testing and Approval of the KFI Form

- The deadline to submit substitute forms for approval is December 31, 2011.
- A review of the form will be done based on processing specifications. It is assumed that there are no spelling errors, incorrect or missing words, missing lines, etc.
- 1 test sample is required to be submitted. The sample must be an original. Photocopies, fax submissions, etc. will not be accepted.
- All of page 1 and the computation of cost or other basis on page 2 must be included in the test sample. The instructions on page 2 may be included with the test sample, but it is not necessary to do so.
- It will require 1 to 2 weeks, upon receipt by the Department, to verify the accuracy of the submitted sample.
- Approval of the facsimile must be obtained from the Department **prior** to filing.

KEY FROM IMAGE (KFI) SPECIFICATIONS

1. Layout

- The form must be an exact replica of the official Form N-288C with respect to layout, data dots, shading, and content.
- Computation worksheet at the bottom of page 2 is considered part of the form and must be submitted along with page 1.

2. Hawaii Vendor I.D. Number

- Print your 2-digit Hawaii Vendor I.D. Number preceded with "ID NO" label at the bottom right of the form next to the mailing address section on page 1. Exact placement is not required. For suggested positions, see the attached exhibit.
- See www.hawaii.gov/tax/vendor/vendor.htm for the Hawaii Vendor I.D. Number Listing. If your company is not listed, please contact the Forms Coordinator.

3. Barcode

- A 1-D barcode is specific to the form. The property of the 1-D symbology barcode uses 3 of 9 (Code 39).
- Placement of the barcode is on page 1:

1-1/16 inches from top edge of form and 1/2 inch from left edge of form

- Height of the barcode is .5 inch.
- Length of the barcode is approximately 2 inches.
- Density of narrow bar width is set to 20 mils with resolution set to 300 dpi.
- Narrow to Wide Ratio is set to 2.
- Open space surrounding the barcode should be adhered to as much as possible.
- DO NOT stretch the barcode image.
- The required barcode is NCT111:



NCT111

- The barcode includes the form number code (NC), type of form (T), form year (11), and page number (1). There are no hyphens.
- Use of the Department of Taxation's JPEG file of the barcode is preferable. The JPEG files can be found at our software vendor website.
- DO NOT use Windows Metafile Format (wmf). This format causes a very low read rate by the Department's IBML scanners.

HAWAII—DEPARTMENT OF TAXATION TENTATIVE REFUND OF WITHHOLDING ON DISCOUNTS BY NONRESIDENT PERSONS OF HAWAII REAL PROPERTY INTERESTS

THIS SPACE FOR DATE RECEIVED STAMP



NCT111

For calendar year 2012 or other tax year beginning _____, 2012 and ending _____, 20_____

NOT file this form unless you have received notification from the Department of Taxation that we have received your return, give first names and initials of both

Name (Corporation, Partnership, Trust, or Estate) Last Name Your Social Security Number

Db a or C/O Spouse's Social Security Number

Address (number and street) Federal Employer I.D. No.

City, State, and Postal/ZIP Code (province, postal code, and country)

Description of Hawaii real property transaction:

Check only ONE box:

- a. Date of transfer (month, day, year)
b. Location and general description of property

- Individual
Others (Corporation, Partnership, Trust, or Estate)

c. Tax map key number

Was the property used at anytime as a rental? Yes No If yes, enter your Hawaii Tax I.D. Number: W - and indicate the start date and end date of the rental activity: (month, day, year) to (month, day, year)

Table with 6 rows and 3 columns for tax calculation: 1. Enter the amount withheld on Form N-288A, 2. Sales price, 3. Cost or other basis, 4. Gain, 5. Enter the tentative tax on the gain, 6. REFUND of amount withheld.

Please Sign Here

I hereby declare under penalties provided by section 231-36, HRS, that I have examined this application and accompanying attachments, and, to the best of my knowledge and belief, they are true, correct, and complete. Signature Title (if applicable) Date

MAIL Placement for Hawaii Vendor ID Number ID NO 12

HAWAII DEPARTMENT OF TAXATION P. O. BOX 1530 HONOLULU, HAWAII 96806-1530

General Instructions

Purpose of Form

Use Form N-288C to apply for a refund of the amount withheld on dispositions by nonresident persons of Hawaii real property interests which is in excess of the transferor/seller's tax liability for the transaction. Form N-288C should be filed if the Hawaii income tax return (Form N-15, N-20, N-30, N-35, or N-40) for the year is not yet available. If available, the transferor/seller should file the appropriate tax return instead of filing Form N-288C. Also, Form N-288C will be rejected if it is filed after the due date of the tax return.

IMPORTANT: If Form N-288C was filed, the transferor/seller must still file a Hawaii income tax return (Form N-15, N-20, N-30, N-35, or N-40) after the end of the taxable year, report the entire income for the year (from other sources as well as the transaction), and pay any additional tax due on the income or request a refund.

Who May File an Application

The transferor/seller may file Form N-288C.

NOTE: Under Section 235-111, Hawaii Revised Statutes, any claim for credit or refund of an overpayment of taxes must be filed within three years from the due date of

the return, or within two years from the time the tax was paid, whichever is later.

Where to Send Form N-288C

File Form N-288C with the Hawaii Department of Taxation. See the front of the form for the mailing address.

Specific Instructions

NOTE: Before you begin to fill in Form N-288C, you should review the notification you received from the Department of Taxation that we have received your withholding payment to make sure that the information contained in it is correct. If any information is not correct, please return a copy of the notification to the Department of Taxation with the corrected information.

At the top of Form N-288C, enter the taxable year of the transferor/seller if it is other than a calendar year.

Also, enter the name, address, and identification number (social security number or federal I.D. number), if any, of the transferor/seller applying for a refund of the amount withheld. The name and identification number entered **MUST** be the same as the name and identification number entered for the transferor/seller on Form N-288A, or as corrected on the copy of the notification you returned to the Department of Taxation. If the transferor/seller was

issued an individual taxpayer identification number (ITIN) by the IRS, enter the ITIN. If the individual has applied for an ITIN but the IRS has not yet issued the ITIN, write "Applied For".

Also, enter the information describing the Hawaii real property transaction. In b, enter the address and description of the property. In c, enter the tax map key number.

Line 2. Enter the gross sales price from the sale. Attach a copy of your closing escrow statement from your sale of this property.

Line 3. In general, the cost or adjusted basis is the cost of the property plus purchase commissions and improvements, minus depreciation (if applicable). Increase the cost or other basis by any expense of sale, such as commissions and state transfer taxes. Complete the schedule below and enter the amount from line 4 onto the front of Form N-288C, line 3.

Line 4. Line 2 minus line 3. However, if you are reporting the gain under the installment method, attach a separate sheet showing the principal payments received during the taxable year and the gross profit percentage. Multiply the amount of the principal payments by the gross profit percentage and enter the result onto the front of Form N-288C, line 4.

Line 5. If you are a C corporation, multiply line 4 by 4% and enter the result on line 5. If you are a person other than a C corporation, you must use the tax rate schedules to the left to determine the amount to enter on line 5.

Note: These tax rates apply to long-term capital gains. For short-term capital gains, use the tax rates in the 2011 income tax booklets to determine the amount to enter on line 5.

For partnerships, S corporations, trusts, or estates, the gain on line 4 must be allocated among each partner or member, S corporation shareholder, or beneficiary of the trust or estate. Calculate the tax liability for each partner or member, S corporation shareholder, or beneficiary of the trust or estate. Enter the total tax liability of all partners or members, S corporation shareholders, or beneficiaries of the trust or estate on line 5. Attach a schedule showing the name, identification number, and the amount of gain and tax liability allocated to each partner or member, S corporation shareholder, or beneficiary of the trust or estate. Also, show the computation of the tax liability for each partner or member, S corporation shareholder, or beneficiary of the trust or estate.

Signature

Form N-288C must be signed by an individual, a responsible corporate officer, a member or general partner of a partnership, or a trustee, executor, or other fiduciary of a trust or estate. In addition, Form N-288C must be signed by an authorized person if the transferor/seller is a trust or estate. If you are a trust or estate, you must file your return.

This computation is required to be included in the test sample.

NOTE: Incomplete forms will be returned to the transferor/seller. Please fill out all items.

2010 Tax Rate Schedules

Schedule I

SINGLE INDIVIDUALS AND MARRIED INDIVIDUALS FILING SEPARATE RETURNS

If the taxable income is:	The tax shall be:
Not over \$2,400	1.40% of taxable income
Over \$2,400 but not over \$4,800	\$34.00 plus 3.20% over \$2,400
Over \$4,800 but not over \$9,600	\$110.00 plus 5.50% over \$4,800
Over \$9,600 but not over \$14,400	\$374.00 plus 6.40% over \$9,600
Over \$14,400 but not over \$19,200	\$682.00 plus 6.80% over \$14,400
Over \$19,200 but not over \$24,000	\$1,008.00 plus 7.20% over \$19,200
Over \$24,000	\$1,354.00 plus 7.25% over \$24,000

Schedule II

MARRIED INDIVIDUALS FILING JOINT RETURNS AND CERTAIN WIDOWS AND WIDOWERS

If the taxable income is:	The tax shall be:
Not over \$4,800	1.40% of taxable income
Over \$4,800 but not over \$9,600	\$67.00 plus 3.20% over \$4,800
Over \$9,600 but not over \$19,200	\$221.00 plus 5.50% over \$9,600
Over \$19,200 but not over \$28,800	\$749.00 plus 6.40% over \$19,200
Over \$28,800 but not over \$38,400	\$1,363.00 plus 6.80% over \$28,800
Over \$38,400 but not over \$48,000	\$2,016.00 plus 7.20% over \$38,400
Over \$48,000	\$2,707.00 plus 7.25% over \$48,000

Schedule III

HEAD OF HOUSEHOLD

If the taxable income is:	The tax shall be:
Not over \$3,600	1.40% of taxable income
Over \$3,600 but not over \$7,200	\$50.00 plus 3.20% over \$3,600
Over \$7,200 but not over \$14,400	\$166.00 plus 5.50% over \$7,200
Over \$14,400 but not over \$21,600	\$562.00 plus 6.40% over \$14,400
Over \$21,600 but not over \$28,800	\$1,022.00 plus 6.80% over \$21,600
Over \$28,800 but not over \$36,000	\$1,512.00 plus 7.20% over \$28,800
Over \$36,000	\$2,030.00 plus 7.25% over \$36,000

Computation of cost or other basis

1. Purchase price of property		\$ _____
2. Add: Improvements	\$ _____	
Selling expenses	_____	
Other (list) _____	_____	
3. Less: Depreciation	_____	
Other (list) _____	_____	
4. Adjusted basis of property. (Line 1 plus line 2, minus line 3)		\$ _____