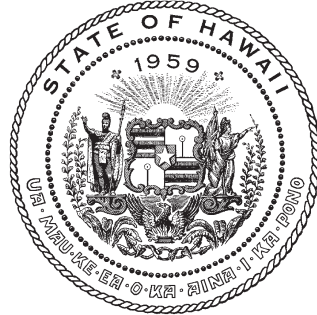


**STATE OF HAWAII
DEPARTMENT OF TAXATION**



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

**General Information
and Key From Image Specifications
for
Form N-35 (Rev. 2011)**

Contact Information

Hawaii Department of Taxation
Technical Section
Attn: Alexis Shiohira, Forms Coordinator
830 Punchbowl Street, Rm 126
Honolulu, Hawaii 96813

Telephone: (808) 587-1577
Fax: (808) 587-1584
E-mail: Tax.Technical.Section@hawaii.gov

**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-35 (Rev. 2011)

General Information and Key From Image Specifications

This document provides software vendors with the requirements for reproducing Form N-35. Form N-35 requires manually keying data from the image or KFI. A 1D barcode must be present on each page 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 10 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 for testing of the barcodes and must be an original. Photocopies, fax submissions, etc. will not be accepted.
- 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-35 with respect to layout, data dots, shading, and content.

2. Hawaii Vendor I.D. Number

- Print your 2-digit Hawaii Vendor I.D. Number preceded with "ID NO" label at bottom middle of the form for each page. Exact placement is not required. For suggested alternate 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 as follows:
Page 1:
1-1/16 inch from top edge of form and 1/2 inch from left edge of form

Pages 2 through 4:

11/16 inch 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.
- A ¼ inch minimum clearance (blank space) must surround the barcode with the exception of the text required to be printed underneath the barcode.
- DO NOT stretch the barcode image.
- The required barcode is SBT111 for page 1:



SBT111

The required barcode is SBT112 for page 2:



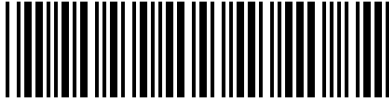
SBT112

The required barcode is SBT114 for page 4:



SBT114

The required barcode is SBT113 for page 3:



SBT113

The barcode includes the form number code (SB), type of form (T), form year (11), and page number (1), (2), (3), or (4). 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.

SC

1-1/16 inches from top edge of the form

HAWAII—DEPARTMENT OF TAXATION HONOLULU HAWAII INCOME TAX RETURN

THIS SPACE FOR DATE RECEIVED STAMP

For calendar year 2011



or other tax year beginning , 2011 and ending , 20

1/2 inch from the left edge of the form

SBT111

AMENDED Return

Federal Employer I.D. No., Business Activity Code, Hawaii Tax I.D. No., Enter the number of Schedules NS attached to this return

Is the corporation electing to be an S corporation beginning with this tax year? Check if: (1) Initial Return (2) Final Return (3) S Election Termination or Revocation (4) Name Change (5) Address Change How many months in 2011 was this corporation in operation? Was this corporation in operation at the end of 2011?

CAUTION: Include only trade or business income and expenses on lines 1a through 20. See Instructions for more information.

Attach Forms N-4 and Payment Here

Table with columns for INCOME and DEDUCTIONS, rows 1-21, and columns for line numbers and amounts.

DECLARATION: I declare, under the penalties set forth in section 231-36, HRS, that this return (including any accompanying schedules or statements) has been examined by me and, to the best of my knowledge and belief, is true, correct, and complete, made in good faith, for the taxable year stated, pursuant to the Hawaii Income Tax Law, Chapter 235, HRS. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer, Date, Type or print name and title of officer. May the Hawaii Department of Taxation discuss this return with the preparer shown below?

Paid Preparer's Information: Preparer's Signature, Print Preparer's Name, Firm's name, Address and Postal/ZIP Code, Date, Check if self-employed, Preparer's Tax I.D. Number, Federal E.I. No., Phone no.

Placement for Hawaii Vendor ID Number -> ID NO 12



11/16 inches from top edge of the form

Name as shown on return

Federal Employer Identification Number

SBT112

Alternate Placement for Hawaii Vendor ID Number

ID NO 12

1/2 inch from the left edge of the form

Table with columns for line numbers, descriptions, and amounts. Includes sections for 'TAX & PAYMENTS' and 'AMENDED RETURN'.

Schedule A Cost of Goods Sold (See Instructions for Schedule A)

Table for Schedule A with columns for line numbers, descriptions, and amounts. Includes sub-sections a, b, c, d, e, and f.

Schedule B Other Information

- 1 Check method of accounting: a Cash b Accrual c Other (specify)
2 a Date of incorporation b Date business began in Hawaii c Under laws of d Date of federal election as an S corporation
3 Refer to the listing of Business Activity Codes at the end of the federal Instructions for Form 1120S and state your principal: Business Activity; Product or service
4 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation?
5 Enter the number of shareholders in the corporation at the end of the tax year who are: residents of Hawaii nonresidents of Hawaii
6 Did the corporation derive income from sources outside Hawaii which is not includable in the Hawaii return?
7 If the corporation: (1) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (2) has net unrealized built-in gain (defined by IRC section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years \$



11/16 inches from top edge of the form

Name as shown on return

Federal Employer Identification Number

SBT113

Alternate Placement for Hawaii Vendor ID Number

ID NO 12

1/2 inch from the left edge of the form

		Shareholders' Pro Rata Share Items		b. Attributable to Hawaii	c. Attributable Elsewhere	
Income (Losses)	1	Ordinary income (loss) from trade or business activities (page 1, line 21)		1		
	2	Net income (loss) from rental real estate activities (attach federal Form 8825)		2		
	3	a	Gross income from other rental activities		3a	
		b	Expenses from other rental activities (attach schedule)		3b	
		c	Net income (loss) from other rental activities. Line 3a minus line 3b.		3c	
	4	Interest income		4		
	5	Ordinary dividends		5		
	6	Royalty income		6		
	7	Net short-term capital gain (loss) (Schedule D (Form N-35))		7		
	8	Net long-term capital gain (loss) (Schedule D (Form N-35))		8		
9	Net gain (loss) under IRC section 1231 (other than due to casualty or theft) (attach Schedule D-1)			9		
	10	Other income (loss) (attach schedule)		10		
Deductions	11	Charitable contributions (attach schedule)		11		
	12	IRC section 179 expense deduction (attach federal Form 4562).		12		
	13	Deductions related to portfolio income (loss) (attach schedule)		13		
	14	Other deductions (attach schedule)		14		
Investment Interest	15 a	Interest expense on investment debts paid or accrued in 2010		15a		
	b	(1)	Investment income included on lines 4, 5, and 6, above	15b(1)		
		(2)	Investment expenses included on line 13, above.	15b(2)		
Credits	16 a	Fuel Tax Credit for Commercial Fishers (attach Form N-163)		16a		
	b	Total cost of property qualifying for the Capital Goods Excise Tax Credit (See Instructions)		16b		
	c	Amounts needed to claim the Enterprise Zone Tax Credit (attach Form N-756)		16c		
	d	Hawaii Low-Income Housing Tax Credit (attach Form N-586)	See Instructions	16d		
	e	Credit for Employment of Vocational Rehabilitation Referrals (attach Form N-884)		16e		
	f	Motion Picture, Digital Media, and Film Production Income Tax Credit (attach Form N-340)		16f		
	g	Technology Infrastructure Renovation Tax Credit (attach Form N-326)		16g		
	h	High Technology Business Investment Tax Credit (attach Form N-318)		16h		
	i	Tax Credit for Research Activities (attach Form N-319)		16i		
	j	Credit for School Repair and Maintenance (attach Form N-330).		16j		
	k	Ethanol Facility Tax Credit (attach Form N-324)		16k		
	l	Renewable Energy Technologies Income Tax Credit (attach Form N-342).		16l		
	m	Important Agricultural Land Qualified Agricultural Cost Tax Credit (attach Form N-344)		16m		
	n	Hawaii income tax withheld on Forms N-288 (See Instructions).		16n		
o	Total Hawaii income tax withheld on Forms N-4		16o			
	p	Net income tax paid by the S corporation to states which do not recognize the corporation's "S" status. Identify state(s).		16p		
(Attach a separate schedule if more space is needed for any item.)						
Other Items	17	Total property distributions (including cash) other than dividend distributions reported on line 22, below. Date of Distribution _____		17		
	18	Tax exempt interest income		18		
	19	Other tax exempt income.		19		
	20	Non-deductible expenses		20		
	21	Other items and amounts not included on lines 1 through 20, above, that are required to be reported separately to shareholders (attach schedule)		21		
	22	Total dividend distributions paid from accumulated earnings and profits.		22		
	23	Income (loss) — Combine lines 1 through 10. From the result, subtract the sum of lines 11 through 15a.		23		
	24	Corporate adjustments to income attributable to Hawaii (attach schedule)		24		
	25	Interest penalty on early withdrawal of savings		25		



11/16 inches from top edge of the form

Name as shown on return

Federal Employer Identification Number

SBT114

1/2 inch from the left edge of the form

L, M-1, and M-2 Attach a copy of page 4 of federal Form 1120S to this return. Attach Sch. M-3, if applicable.

List of Shareholders (Attach a separate sheet if more space is needed)

Table with 6 columns: Name and Address, SSN or FEIN, No. of shares owned at all times during the year, State of Residence, Year Sch. NS filed, if any (Indicate if revoked), Amount of Payment on Form N-4 attached. Rows 1, 2, 3.

Schedule O Apportionment of Income (See Attributable to Hawaii in the Instructions.)

- 1 Ordinary income (loss) from trade or business activities (From page 1, line 21)
2 Apportionment factor (From Schedule P, line 8)
3 Business income apportioned to Hawaii (line 1 multiplied by line 2)
4 Business income apportioned elsewhere (line 1 minus line 3)
5 Are the totals of columns b and c, Schedule K, lines 2 through 6, and the amounts shown on Schedule P, column B, the same as those reported in returns or reports to other states under the Uniform Division of Income for Tax Purposes Act?

Schedule P Computation of Apportionment Factors (See Attributable to Hawaii in the Instructions.)

Table with 5 columns: Property (use original cost), In Hawaii (Beginning of taxable year, End of taxable year), Total Everywhere (Beginning of taxable year, End of taxable year). Rows: Land, Buildings, Inventories, Leasehold interests*, Rented Property*, Other Property, Total.

* Enter net annual rent X 8.

Table with 2 columns: A. In Hawaii, B. Everywhere. Rows: 1 Property values, 2 Property factor, 3 Total compensation, 4 Payroll factor, 5 Total sales, 6 Sales factor, 7 Total of factors, 8 Average of factors.

Designation of Tax Matters Person (See Instructions.)

Enter below the shareholder designated as the tax matters person (TMP) for the tax year of this return, if one has been designated:

Name of designated TMP

Identifying number of TMP

Address of designated TMP

Placement for Hawaii Vendor ID Number

ID NO 12