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FORM
N-356
(REV. 2025)

N356_I 2025A 01 VID01

STATE OF HAWAII — DEPARTMENT OF TAXATION

EARNED INCOME TAX CREDIT

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➤ **See Instructions on back**
➤ **Attach to Form N-11 or Form N-15**

Name(s) as shown on Form N-11 or N-15	Your social security number

Note: If you are only claiming a carryover of unused earned income tax credit from tax year 2022, skip lines 1 through 7 and begin on line 8.

Part I QUALIFYING INDIVIDUAL TAXPAYER

1 In order to claim the tax credit, you must meet the definition of a qualifying individual taxpayer.

a Are you filing a federal income tax return and claiming the federal earned income credit for this tax year? ☐ Yes ☐ No

b Are you using the same filing status on your Form N-11 or Form N-15 as used on your federal income tax return? ☐ Yes ☐ No

c Are you claiming the same dependents on your Form N-11 or Form N-15 as claimed on your federal income tax return? (**Note:** Also check "Yes" if you are not claiming any dependents on your Hawaii and federal income tax returns.) ☐ Yes ☐ No

If you answered "No" to any of the 3 questions, you are not a qualifying individual taxpayer. You **cannot** claim this credit. **Do not** complete this form.

Part II REFUNDABLE TAX CREDIT COMPUTATION

2	Enter the amount of your federal earned income credit claimed on your federal income tax return for this tax year.		2	
3	Multiply line 2 by 40%		3	
	Note: Residents, skip lines 4 and 5, enter "1.00" on line 6, and go to line 7. Part-year residents and nonresidents, continue on to line 4.			
4	Enter your **Hawaii** adjusted gross income from Form N-15, Column B	4		
5	Enter your **federal** adjusted gross income from Form N-15	5		
6	Divide line 4 by line 5. (Compute to 3 decimal places and round to 2 decimal places)		6	
7	**Total New Credit Claimed** — Multiply line 3 by line 6. Also enter this amount on Schedule CR on the appropriate line for this tax credit		7	

Part III UNUSED CARRYOVER COMPUTATION

Note: Unused tax credits from tax year 2022 cannot be carried over for taxable years beginning after December 31, 2025.

8	**Adjusted Tax Liability** — Enter the amount from Form N-11 or Form N-15	8	
9	If you are claiming other nonrefundable tax credits, complete the worksheet in the instructions and enter the total here. If you are not claiming other nonrefundable credits, enter zero	9	
10	Line 8 minus line 9. This represents your remaining tax liability. If the result is zero or less, enter zero	10	
11	Carryover of unused earned income tax credit from tax year 2022. Enter this amount on Schedule CR, in **Column (a)** of the appropriate line for this tax credit	11	
12	**Total Credit Applied** — Enter the smaller of line 10 or line 11. This is your earned income tax credit to be applied to this tax year. Enter this amount, rounded to the nearest dollar, on Schedule CR, in **Column (c)** of the appropriate line for this tax credit	12	

CHANGES YOU SHOULD NOTE

Act 25, Session Laws of Hawaii 2025, eliminates the unlimited carryforward in the nonrefundable earned income tax credit from tax year 2022, effective for taxable years beginning after December 31, 2025.

GENERAL INSTRUCTIONS

The earned income tax credit is refundable and 40% of the federal earned income credit claimed on the taxpayer's federal income tax return. For part-year residents and nonresidents, the tax credit is multiplied by the ratio of Hawaii adjusted gross income to federal adjusted gross income.

If you have any unused carryover of the earned income tax credit from tax year 2022, you may claim that amount against the net income tax liability for this tax year. Any unused carryover of the earned income tax credit from tax years 2018, 2019, 2020, or 2021 cannot be claimed against the net income tax liability for this tax year.

Purpose of Form

Use Form N-356 to figure and claim the earned income tax credit under section 235-55.75, Hawaii Revised Statutes.

Who May Claim This Credit

Each qualifying individual taxpayer may claim this credit. A qualifying individual taxpayer means a taxpayer that: (1) files a federal income tax return for the taxable year and claims the earned income credit under Internal Revenue Code section 32, and (2) files a Hawaii income tax return for the taxable year using the same filing status used on the federal income tax return, and claiming the same dependents claimed on the federal income tax return.

When the Credit May Not Be Claimed

This credit may not be claimed if any of the following apply:

(1) There was a final administrative or judicial decision within the prior ten taxable years that your claim for the tax credit was due to fraud.

(2) There was a final administrative or judicial decision within the prior two taxable years disallowing your claim for the tax credit.

Credit Requirements

To claim this credit or use any carry over, you must complete and attach to your Hawaii income tax return:

(1) Form N-356

(2) Schedule CR

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.

Note: If the Internal Revenue Service (IRS) makes an adjustment to the federal earned income credit (due to an adjustment to federal taxable income) after the 12-month deadline, you must amend the Hawaii earned income tax credit even if the 12-month deadline has passed. The amended Hawaii income tax return must be filed within 90 days after the adjustment by the IRS is finally determined.

SPECIFIC INSTRUCTIONS

Note: If you are only claiming a carryover of unused earned income tax credit from tax year 2022, skip lines 1 through 7 and begin on line 8.

Part I, Qualifying Individual Taxpayer

Line 1 — Answer the questions to determine whether you meet the definition of a qualifying individual taxpayer. If you are not a qualifying individual taxpayer, you **cannot** claim this credit.

Part II, Applied Tax Credit and Unused Carryover Computation

Line 2 — Enter the amount of your federal earned income credit from federal Form 1040 or 1040-SR.

Note: If you choose to have the IRS compute your federal earned income credit and do not receive the credit amount from the IRS before the deadline to file your Hawaii tax return, you should complete Form N-11 or Form N-15 without claiming the tax credit. Once the IRS sends you the federal earned income credit amount, you may file an amended tax return to claim the tax credit.

Line 6 — Divide line 4 by line 5. Compute the ratio to 3 decimal places and round it to 2 decimal places. For example, line 4 is $60,000; and line 5 is $90,000. The ratio of Hawaii AGI to federal AGI is 0.67 (60,000/90,000 = 0.666 rounded to 0.67).

Note: If line 5 is zero or a negative number (loss) and line 4 is a positive number, enter 1.00 on line 6. If line 4 is zero or a negative number (loss), enter zero on line 6. If both lines 4 and 5 are negative numbers (losses), enter zero on line 6. If line 4 is greater than line 5, enter 1.00 on line 6.

Line 7 — **Refundable Credit Claimed.** Multiply line 3 by line 6. You MUST also enter this amount on Schedule CR on the appropriate line for this tax credit.

Line 9 — Certain other tax credits must be used to offset a taxpayer's tax liability before the earned income tax credit may be used. If you are claiming other nonrefundable tax credits, complete the **Credit Worksheet** and enter the result on line 9. If you are not claiming any of the nonrefundable tax credits listed on the worksheet, enter zero on line 9.

Line 11 — Enter the amount of unused earned income tax credit from tax year 2022, provided that no credit carried forward amount from tax year 2022 shall be used as a credit for taxable years beginning after December 31, 2025. You MUST also enter this amount on Schedule CR in **Column (a)** of the appropriate line for this tax credit.

Line 12 — Total Credit Applied. Compare the amounts on lines 10 and 11. Enter the smaller of line 10 or 11 here, rounded to the nearest dollar. This is your credit applied for this taxable year. You MUST also enter this amount on Schedule CR in **Column (c)** of the appropriate line for this tax credit.

EARNED 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. Carryover of the Cesspool Upgrade, Conversion or Connection Income Tax Credit.....	
i. Add lines a through h. Enter the amount here and on Part II, line 9.....	