

CERTIFICATION FOR EXEMPTION FROM THE WITHHOLDING OF TAX ON THE DISPOSITION OF HAWAII REAL PROPERTY

(To be completed by transferor/seller and given to transferee/buyer. The transferor/seller should NOT file Form N-289 with the Department of Taxation for approval.)

Section 235-68, Hawaii Revised Statutes (HRS), provides that a transferee/buyer of Hawaii real property must withhold tax if the transferor/seller is a non-resident person. To inform the transferee/buyer that withholding of tax is not required upon the disposition of Hawaii real property by _____ (name of transferor/seller), the undersigned hereby certifies the following:

Transferor/seller's identification number (SSN or FEIN) _____

Transferor/seller's address (home address for individuals, office address for corporations, partnerships, trusts, or estates)

Four horizontal lines for the transferor/seller's address.

The withholding of tax is not required upon the disposition of Hawaii real property because (check whichever box is applicable):

1 The transferor/seller is a resident person as defined in section 235-68, HRS. Resident person means any: (1) Individual included in the definition of "resident" in section 235-1, HRS; (2) Corporation incorporated or granted a certificate of authority under Chapter 415, 415A, or 415B, HRS; (3) Partnership formed or registered under Chapter 425 or 425D, HRS; (4) Foreign partnership qualified to transact business pursuant to Chapter 425 or 425D, HRS; (5) Limited liability company formed under Chapter 428, HRS, or any foreign limited liability company registered under Chapter 428, HRS; (6) Limited liability partnership formed under Chapter 425, HRS; (7) Foreign limited liability partnership qualified to transact business under Chapter 425, HRS; (8) Trust included in the definition of "resident trust" in section 235-1, HRS; or (9) Estate included in the definition of "resident estate" in section 235-1, HRS.

2 That by reason of a nonrecognition provision of the Internal Revenue Code as operative under chapter 235, HRS, or the provisions of any United States treaty, the transferor/seller is not required to recognize any gain or loss with respect to the transfer. (Complete A and B below.)

A. Brief description of the transfer:

Four horizontal lines for the brief description of the transfer.

B. Brief summary of the law and facts supporting the claim that recognition of gain or loss is not required with respect to the transfer:

Four horizontal lines for the brief summary of the law and facts.

3 For the year preceding the date of the transfer the property has been used by the transferor/seller as a principal residence, and that the amount realized for the property does not exceed \$300,000.

_____ (name of transferor/seller) understands that this certification may be disclosed to the State of Hawaii, Department of Taxation by the transferee/buyer and that any false statement contained herein could be punished by fine, imprisonment, or both.

I declare, under the penalties set forth in section 231-36, HRS, that this certification has been examined by me, and to the best of my knowledge and belief, it is true, correct, and complete. In the case of corporations, partnerships, trusts, or estates, I further declare that I have authority to sign this document on behalf of _____ (name of transferor/seller).

Signed: _____

Print Name: _____

Title: _____

Date: _____

STATE OF HAWAII — DEPARTMENT OF TAXATION
Instructions for Form N-289
CERTIFICATION FOR EXEMPTION FROM THE
WITHHOLDING OF TAX ON THE DISPOSITION OF HAWAII
REAL PROPERTY

General Instructions

Purpose of Form

Use Form N-289 to inform the transferee/buyer that the withholding of tax is not required upon the disposition of Hawaii real property if (1) the transferor/seller is a resident person, (2) by reason of a nonrecognition provision of the Internal Revenue Code as operative under chapter 235, HRS, or the provisions of any United States treaty, the transferor/seller is not required to recognize any gain or loss with respect to the transfer, or (3) for the year preceding the date of the transfer the property has been used by the transferor/seller as a principal residence, and that the amount realized for the property does not exceed \$300,000.

Who Can Complete Form N-289

The transferor/seller can complete Form N-289.

Where to Send Form N-289

Form N-289 must be completed by the transferor/seller and given to the transferee/buyer. The transferor/seller should NOT file Form N-289 with the Department of Taxation for approval. The transferee/buyer is to retain Form N-289 and NOT forward it to the Department of Taxation if ALL the transferor/sellers have provided a certification of exemption on Form N-289 to the transferee/buyer. If one or more, but not all of the transferor/sellers has provided a certification of exemption on Form N-289 to the transferee/buyer, the transferee/buyer shall attach a copy of the Form N-289 to Forms N-288 and N-288A, which must still be filed with the Department of Taxation.

Specific Instructions

At the top of Form N-289, enter the transferor/seller's name, identification number (social security number, individual identification number or federal I.D. number), and address. The Internal Revenue Service (IRS) issues Individual Taxpayer Identification Numbers (ITINs) to certain aliens who are required to have a U. S. taxpayer identification number but who do not have, and are not eligible to obtain, a social security number. The ITIN issued by the IRS must be used as the individual's identification number.

Check the applicable box to indicate the reason the withholding of tax is not required upon the disposition of Hawaii real property. If box number 2 is checked, complete sections A and B requesting a brief description of the transfer and a brief summary of the law and facts supporting the claim that recognition of gain or loss is not required with respect to the transfer.

NOTE: *Although the withholding of tax may not be required upon the disposition of Hawaii real property, the transferor/seller is required under section 235-92, HRS, to file an income tax return to report the sale or other disposition.*

Signature

Form N-289 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-289 may be signed by an authorized agent with a power of attorney.

STATE DISTRICT TAX OFFICE ADDRESSES & TELEPHONE NUMBERS

OAHU DISTRICT OFFICE

First Taxation District
P. O. Box 259
Honolulu, HI 96809-0259

Telephone Numbers
Information: (808) 587-4242
Toll Free: 1-800-222-3229

Forms by Fax:
On Oahu: (808) 587-7572
Outside Oahu: (808) 678-0522
call from your fax machine

Office Location:
Princess Ruth Keelikolani Bldg.
830 Punchbowl St.
Honolulu, HI 96813-5094

Forms and CD-ROM (nominal fee) by mail:
(808) 587-7572
Toll Free: 1-800-222-7572

Website: www.state.hi.us/tax

Telephone Devices for the Deaf (TDD)

Tax Services & Processing Division
(808) 587-1418
Toll Free: 1-800-887-8974

Compliance Division
(808) 587-1419
Toll Free: 1-800-961-5369

MAUI DISTRICT OFFICE

Second Taxation District
P. O. Box 1169
Wailuku, HI 96793-6169

Telephone No.: (808) 984-8500

State Office Building
54 S. High St., #208
Wailuku, HI 96793-2198

HAWAII DISTRICT OFFICE

Third Taxation District
P. O. Box 833
Hilo, HI 96721-0833

Telephone No.: (808) 974-6321

State Office Building
75 Aupuni St., #101
Hilo, HI 96720-4245

KAUAI DISTRICT OFFICE

Fourth Taxation District
3060 Eiwa St., #105
Lihue, HI 96766-1889

Telephone No.: (808) 274-3456

State Office Building
3060 Eiwa St., #105
Lihue, HI 96766-1889