

2011 Education Tax Credit Information – Form 1098-T

NOTE: The 1098-T form does not report student “**payments**” needed to claim the educational tax credit. It reports only “qualified tuition and fees **charged**” to a student and does not report any payments made by a student. The tax credit is calculated based on actual payments made for qualified tuition and fee charges. Because of this disconnect, SLCC provides student payment information through its secure MyPage portal following directions given below.

In addition to the tuition & fee charges reported on the 1098-T form, there may be other qualifying charges to be considered when determining the tax credit. Because the tax credit is based on **payments** for qualified charges, the determined tax credit may not agree with the charges reported to the IRS on the 1098-T form.

It is the taxpayer’s responsibility to determine and calculate the appropriate tax credit or deduction he or she may be eligible to claim on the 2011 federal income tax return. Specific information and instructions can be found on the IRS website:

- IRS Form 8863 Education Credits (<http://www.irs.gov/pub/irs-pdf/f8863.pdf>)
- IRS Publication 970 Tax Benefits for Education (<http://www.irs.gov/pub/irs-pdf/p970.pdf>)

Please consult IRS regulations and instructions and/or a tax professional for assistance in claiming your education credits.

1098-T Mailing Status and Web Access Instructions

The 1098-T forms for 2011 were mailed to students the week of January 23, 2011. Per IRS regulations, forms are mailed only to students enrolled in “for Credit” courses. *However, a facsimile of the form and **detail payment and charge information** applicable to **ALL** students is available via the SLCC-MyPage website using the following directions:*

- Find SLCC’s homepage: <http://www.slcc.edu>
- Click on the “MyPage” link
- Enter your Username and Password in the “MyPage” login boxes
- Click on the “Student” tab
- Click the “Student Records” link
- Under the “Student Records” link, find & click on “Tax Notification 1098-T Information”
- Enter “2011” for the tax year and click the “Submit” button
- This information can be printed for the tax payer’s records.

Section 1: Description of Amounts found in the 1098-T Form’s Boxes

Box 1

SLCC does not report student “payments” in **box 1**. However, student **payment details** in 2011 can be found in your secure MyPage website using the directions above.

Boxes 2 and 5

The form reports total “qualified charges” in **Box 2** (meaning tuition and course fees for courses taken for credit, plus required student fees) charged in 2011 for semesters starting in 2011. It excludes charges for the 2011 Spring semester if a student registered for “credit courses” in December 2010. Likewise, it includes charges for the 2012 Spring semester if a student registered for “credit classes” in December 2011. Spring 2011 semester charges reported on the 2010 1098-T form can be found in the student’s “MyPage” link, by entering “2010” in the ‘tax year’ block then clicking the “Submit” button.

The 1098-T also reports any scholarships, grants, waivers or sponsor amounts in **Box 5** that were received and posted to a student's account in the calendar year.

Prior Year Adjustments (Boxes 4 and 6)

Colleges are required to report adjustments to charges and scholarships that were reported on a prior year 1098-T form if those adjustments occurred during calendar year 2011. Any adjustments that would have **increased** the prior year reported qualified tuition and fees or scholarships are added with the current year reporting in Boxes 2 and 5 and should be included with your current year tax credit calculation. However, any adjustments that would have **decreased** the amount reported as qualified charges or scholarships on a prior year form are reported in **Boxes 4 or 6** respectively.

Please consult IRS regulations and instructions and/or a tax professional for assistance in calculating and claiming an education tax credit.

Section 2: Description of Available Education Tax Credits

American Opportunity Credit & Lifetime Learning Tax Credit

There are two tax credits for qualifying higher education expenses: The American Opportunity credit (a modification of the previously known Hope credit) and the Lifetime Learning credit. Both credits are claimed by filing IRS Form 8863 with your federal income tax return. The credits are to help families (individuals) reduce the amount they pay out-of-pocket for tuition and other qualified education expenses for postsecondary education. The table below is a comparison of the American Opportunity and Lifetime Learning credits:

2011 IRS Comparison Chart	American Opportunity Credit	Lifetime Learning Credit
Maximum Credit	Up to \$2,500 per eligible student	Up to \$2,000 per return
Limit on modified adjusted gross income (MAGI)	\$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er)	\$122,000 if married filing Jointly; \$61,000 if single, head of household, or qualifying widow(er)
Refundable or nonrefundable	40% of credit may be refundable, the rest is nonrefundable	Nonrefundable—credit limited to the amount of tax you must pay on your taxable income
Number of years of postsecondary education	Available ONLY for the first 4 years of postsecondary education	Available for all years of postsecondary education and for courses to acquire or improve job skills.
Number of tax years credit is available	Available ONLY for 4 tax years per eligible student	Available for an unlimited number of years
Type of degree required	Student must be pursuing a degree or other recognized education credential	Student does not need to be pursuing a degree or other recognized education credential.
Number of courses	Student must be enrolled at least half time for at least one academic period beginning during the year	Available for one or more courses
Felony drug conviction	As of the end of 2011, the student had not been convicted of a felony for	Felony drug convictions are permitted

	possessing or distributing a controlled substance	
Qualified expenses	Tuition , required enrollment fees, and course materials that the student needs for a course of study whether or not the materials are bought at the educational institution as a condition of enrollment or attendance	Tuition and required enrollment fees (including amounts required to be paid to the institution for course-related books, supplies, and equipment)
Payments for academic periods	Payments made in 2011 for academic periods beginning in 2011 or beginning in the first 3 months of 2012	Payments made in 2011 for academic periods beginning in 2011 or beginning in the first 3 months of 2012

Salt Lake Community College cannot determine if you qualify for one of these tax credits or the amount of the credit due you. Please consult IRS regulations and instructions and/or a tax professional for assistance in claiming your education credits.

Tuition and Fees Above-The-Line Deduction

If your income does not exceed the specified ceiling (above) and you choose not to take one of the education credits for qualified tuition and fees, you may be able to deduct up to \$4,000 from your Adjusted Gross Income without having to itemize deductions. The amount of the deduction is dependent upon the amount of your modified adjusted gross income. The deduction has the same requirements as the Lifetime Learning credit in that the expenses must be for classes at a qualified institution and must give or improve job skills. Consult a tax professional for assistance in determining which tax credit or deduction is the most advantageous for you and in calculating and claiming your credit or deduction.