

Questions and Answers Regarding Form 1098T and the Education Tax Credit

1. Why did I receive the Form 1098T? What is its purpose?

Educational institutions are required by law to report to students the amount of qualified tuition and related expenses (fees) **billed to them or paid by them** during the calendar year. The College's of Southern & Western Idaho have opted to report the total amount **billed** not paid for the calendar year. The purpose of the form is to help the student determine whether you are eligible to claim an Education Tax Credit on your individual income tax returns.

2. What is an Education Tax Credit?

The Federal government currently has two Education Tax Credits available, the Hope Credit and the Lifetime Learning Credit. The credits are designed to reduce the income taxes paid by those students who pay their college tuition and fees. Each tax credit has different requirements which must be met before the credit may be claimed. These requirements can be found in **Publication 970, Tax Benefits for Education** which may be obtained from the IRS website at www.irs.gov or by phoning the IRS at 1-800-829-1040. If you meet the eligibility requirements, the credits may be used to reduce the amount of income tax you have to pay, however only one credit may be used at a time and each has different eligibility requirements. The credits are computed on Form 8863 and are claimed Form 1040 or , Form 1040A. **The credit may not be taken on Form 1040EZ.** Generally, you **may** be eligible to claim education credits if:

- **You pay** qualified tuition and related expenses of higher education
- **You pay** the tuition and related expenses for an **eligible student**
- The eligible student is either yourself, your spouse or a **dependent for whom you can claim an exemption on your tax return** (for example, your dependent child)

3. Tuition paid for noncredit courses or courses taken for personal interest generally will not qualify for either credit. In order to qualify for one of the available tax credits, the courses must be taken as part of a postsecondary degree program or to acquire or improve job skills. In addition, qualified educational expenses which are paid for by tax free funds are not eligible for the credit. **Therefore, if your tuition was paid entirely by Pell Grant, a tax free scholarship or VA educational assistance, you will not be eligible for the credit.**

4. I did not receive a 1098T. Why is that?

- *You do not have a valid Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) on file.*

Specifically, educational institutions are not required to issue a Form 1098T to:

- Students whose qualified tuition and related expenses are entirely waived or paid entirely with scholarships or grants
- Nonresident alien students

In addition, educational institutions are also not required to issue the forms to students for courses for which no academic credit is received. Therefore, tuition and fees billed for Continuing Education or zero credit classes will not be reported on Form 1098T.

4. How can I tell how much I paid? I need this information to compute the credit.

It is the student's responsibility to maintain records documenting the amounts they paid to the College during the year. Receipts are issued to all students who pay using cash or credit card. Please refer to

these receipts to determine what you have paid during the year. You may also view your account history at any time through [MYCSI](#).

5. What expenses qualify for the credit?

Tuition, fees and related expenses *paid to the institution as a condition of enrollment or attendance* are includable as qualified expenses. *Expenses for books and supplies generally do not qualify* for the credit. More information about qualified expenses can be found in Publication 970, Tax Benefits for Education which may be obtained from the IRS website at www.irs.gov or by phoning the IRS at 1-800-829-1040.

6. I misplaced my 1098T. Can I get another copy?

The College will issue one original Form 1098T. In the event this form is misplaced or lost, the student may request a duplicate that will be mailed to them. The request must be in writing and include the student's name, ID# and mailing address. Duplicate forms will be issued on Friday's beginning February 4th, 2011. ***The information will not be faxed, emailed or provided over the phone.***

7. I am the parent of a student and pay their bills. Why can't I get a copy of the Form 1098T?

Federal laws prohibit educational institutions from releasing student information to anyone other than the student.

8. I need assistance with this. Who may I contact?

You are urged to contact a tax professional, such as a licensed income tax preparer or Certified Public Accountant, to assist you with determining whether you are eligible to claim Education Tax Credits, and to determine the amount of any credit for which you may be eligible. Alternatively, you may contact the Internal Revenue Service at www.irs.gov or by phone at 1-800-829-1040. **The College of Southern and the College of Western Idaho will not provide income tax advice.**