

# Understanding Your 1098-T

## Frequently Asked Questions

Samuel Merritt University-Business Office 510-869-6731

### **Why am I receiving a Form 1098-T?**

IRS Form 1098-T is entitled "Tuition Payment Statement" and contains information to assist the IRS and you in determining if you are eligible to claim educational related tax credits such as the American Opportunity Credit and Lifetime Learning Tax Credit.

The Tax Relief Act of 1997 states that educational institutions, such as Samuel Merritt University, are required to file information returns with the IRS of payments received or tuition billed, scholarships/grants and the student's enrollment. The 1098-T form the student receives in electronically or in the mail is the information that was sent to the IRS by Samuel Merritt University. The form is an informational return for your personal records and is **not** required to be submitted with your tax return.

### **How do I receive a copy of Form 1098-T?**

Samuel Merritt University will mail out Form 1098-T by January 31<sup>st</sup>, 2012. Please allow 14 days before requesting a duplicate form to be mailed. Form 1098-T will be mailed to your preferred address maintained by the Office of the Registrar Student Information System. Changes to your address can be updated on [www.samuelmerritt.edu](http://www.samuelmerritt.edu). Students who need to request a duplicate 1098-T can do so by calling the Business Office at 510-869-6731 and leave your name and address on where you would like the Form 1098-T to be mailed.

### **What amounts are included in Box 2 "Amounts billed for qualified tuition and related expenses?"**

The University is required by the IRS to either fill in the payments received (Box 1) or the amounts billed for qualified tuition and related expenses (Box 2). *Samuel Merritt University has chosen to fill in (Box 2).*

Qualified Tuition: All Tuition and lab fees are included in this box.

Unqualified fees: Housing, Books, Health Insurance, Late Fees, Parking, Student Body Fees, Fines and Finance charges.

### **Since I received Form 1098-T from the University, am I qualified for one of the educational tax credits?**

Not necessarily. Determination of eligibility is the responsibility of the taxpayer. The University is required to file form 1098-T with the IRS, and to mail a copy to each student who was billed for qualified tuition and related expenses.

### **How do I determine if I am eligible for an educational tax credit?**

You or your parents may be eligible for the educational tax credits on your tax return. The Taxpayer Relief Act of 1997 created two educational tax credits for students and families, The Hope Scholarship Tax Credit and the Lifetime Learning Tax Credit. For a more detailed description, you can read IRS Publication 970 which can be found on the IRS website at [www.irs.gov](http://www.irs.gov).

### **Can I claim both educational tax credits this year?**

No, you can only elect one of the credits for any given tax year. If you elect to take the Lifetime Learning Credit, you cannot also claim the American Opportunity Credit. A parent with more than one child in an eligible educational institution may choose to take tax credits on a per-student, per year basis. For example, a parent can claim the American Opportunity Credit for one student and the Lifetime Learning Credit for another student in the same year. **IRS Form 8863 is used to calculate educational tax credits and can be found at <http://www.irs.gov/pub/irs-pdf/f8863.pdf>.**

### **I lost my Form 1098-T. What should I do?**

You can call the Business Office at 510-869-6731 and leave your name and address of where you would like a new one mailed.

### **Should I attach the Form 1098-T to my tax return?**

The 1098-T form is an informational form for your personal records and is **not** required to be submitted with your tax return

### **Where can I get a list of payments made to the University?**

A student statement of your transactions from January 1<sup>st</sup>, 2011, through December 31<sup>st</sup>, 2011, can be found on SMURF.

### **Where can I get additional information for eligibility on the various tax credits?**

For additional information on the American Opportunity Credit and Lifetime Learning Credit, please visit IRS Publication 970, "Tax Benefits for Education," which can be found online at <http://www.irs.gov/pub/irs-pdf/p970.pdf>. Within IRS Publication 970, information about the Hope Scholarship Credit and Lifetime Learning Credit can be found.

### **Additional Information:**

More detailed information is also available at the following websites:

- <http://www.irs.gov> (place form number in search box)
- <http://www.irs.gov/pub/irs-pdf/p970.pdf> (to view IRS Publication 970)
- <http://www2.ed.gov/offices/OPE/PPI/HOPE/index.html>

*This information is not intended as legal or tax advice. Individuals should obtain IRS Publication 970, "Tax Benefits for Education," at [www.irs.gov](http://www.irs.gov), or contact a tax professional about personal income tax situations.*