

## **1098-T Form – American Opportunity, Hope or Lifetime Learning Tax Credit**

- **What is a 1098-T form and what I should do with it?**
- **. For more information visit [www.irs.gov](http://www.irs.gov).**

### **How will I receive my 1098-T form?**

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- **What fees are included in qualified expenses?**
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- **When will the 1098-T be available for 20XX?**
- **XX.**
- **What terms are included on the 1098-T?**
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- **How may I receive information on my spouse's or child's 1098-T form?**
- **Can you explain the boxes on the 1098-T form?**

### **What is a 1098-T form and what I should do with it?**

1098-T forms are issued by the College to students that incurred a net charge of eligible fees during a given calendar year. This form is to be used by the student to determine eligibility to receive the American Opportunity credit or Hope or Lifetime Learning education tax credits. The 1098-T form can be kept with your records and does not need to be sent to the IRS with your income tax return as the College sends your 1098-T information to the IRS. For more information visit [www.irs.gov](http://www.irs.gov).

### **How will I receive my 1098-T form?**

The 20XX 1098-T forms will be mailed out to students by January 31, 20XX. The address where the 1098-T form will be sent is your permanent address as recorded in your official student record. Address changes should be made through the Registrar's Office to assure that your form is sent to the correct address.

### **Why didn't I get a 1098-T form?**

There are several reasons you may not have received a 1098-T form. The most common reasons are that either: 1.) your tuition and fees and scholarships and grants for the 20XX tax year were \$0, or 2.) your scholarships and grants for the 20XX tax year were greater than your tuition and fees. In either case, no 1098-T form will be generated.

If you believe the 1098-T form was sent to an incorrect address please contact the Registrar's Office to verify your address.

### **What types of payments are included in payments received?**

Payments received for qualified tuition and related expenses include:

- Payments in cash, check, money order, or credit card
- Payments from pre-paid (including MPACT) and college savings plans
- Federal Work-Study
- Student Loans – Subsidized, Unsubsidized, Parent, and alternative loans

**What fees are included in qualified expenses?**

Institutions have the option to report the total amount of payments received or the total amount billed for qualified tuition and fees. Northwest Mississippi Community College has elected to report the amount of payments received for qualified tuition and related expenses.

Qualified expenses would include mandatory tuition. Fees that are excluded include application fees, housing and dining, parking, fines, and other miscellaneous charges.

**What amounts are included in scholarships and grants?**

Institutional and outside scholarships, tuition waivers, grants (federal and state), and third party payments from vendors such as military, WIA, AmeriCorps, and employer assistance would be included in scholarships and grants and would reduce the amount of eligible expenses that can be reported.

Student loans are considered your payments and are not deducted from the tuition costs that can be reported.

**When will the 1098-T be available for 20XX?**

The 20XX 1098-T form will be mailed to students by January 31, 20XX.

**What terms are included on the 1098-T?**

For 20XX, NWCC will report Spring 20XX, Summer 20XX, and Fall 20XX.

**How may I receive information on my spouse's or child's 1098-T form?**

This information is part of the student's private educational records which are protected by federal privacy laws. We are unable to disclose information to anyone without written consent by the student.

**Can you explain the boxes on the 1098-T form?**

CORRECTED

FILER'S name, street address, city, state, ZIP code, and telephone number		1 Payments received for qualified tuition and related expenses \$	OMB No. 1545-1574  <div style="font-size: 2em; color: red; text-align: center;">20XX</div> Form 1098-T	<b>Tuition Statement</b>
FILER'S federal identification no.      STUDENT'S social security number		2 Amounts billed for qualified tuition and related expenses \$	3 If this box is checked, your educational institution has changed its reporting method for 2008 <input type="checkbox"/>	
STUDENT'S name		4 Adjustments made for a prior year \$	5 Scholarships or grants \$	<b>Copy B For Student</b>  This is important tax information and is being furnished to the Internal Revenue Service.
Street address (including apt. no.)		6 Adjustments to scholarships or grants for a prior year \$	7 Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January - March 2009 <input type="checkbox"/>	
City, state, and ZIP code		8 Checked if at least half-time student <input type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>	
Service Provider/Acct. No. (see instr.)	10 Ins. contract reimb./refund \$			

Form 1098-T (keep for your records) Department of the Treasury - Internal Revenue Service

**Box 1–Payments received for qualified tuition and related expenses**

Shows the total payments received from any source for qualified tuition and related expenses less any related reimbursements or refunds

The IRS instructs institutions to report **either payments received (Box 1) OR amounts billed (Box 2)** for qualified tuition and related expenses on the 1098-T. NWCC reports qualified tuition and related expenses that were paid (Box 1) during the tax year. The following chart details which charges are included in Box 1:

Included	Not Included
<ul style="list-style-type: none"> <li>• Mandatory Tuition</li> <li>• Out-of-State Tuition</li> </ul>	<ul style="list-style-type: none"> <li>• Residence Hall Charges</li> <li>• Meal Plan Charges</li> <li>• Bookstore Charges</li> <li>• Parking Decals</li> <li>• Room Deposits</li> <li>• Transcript Fees</li> <li>• Diploma Fees</li> </ul>

**Box 2-Amounts Billed for Qualified Tuition and Related Expenses**

Shows the total amounts billed for qualified tuition and related expenses less any related reductions in charges.

**For NWCC students, Box 2 will be blank.**

**Box 3-Change in Reporting Method**

Show whether your institution changed its method of reporting for 20XX. It has changed its method of reporting if the method (payments received or amounts billed) used for 20XX is different than the reporting method used for the previous year. You should be aware of this change in figuring your education credits. The credits are allowable only for amounts actually paid during the year and not amounts reported as billed, but not paid, during the year. **NWCC did not change its reporting method for 20XX.**

**Box 4-Adjustments Made For a Prior Year**

Shows any adjustment made for a prior year for qualified tuition and related expenses that were reported on a prior year Form 1098-T. This amount may reduce any allowable education credit that you claimed for the prior year. See “recapture” in the index to Publ. 970 to report a reduction in your education credit or tuition and fees deduction you claim for the year.

**Box 5-Scholarships or Grants**

Shows the total of all scholarships or grants processed by NWCC during the calendar year. The amount of scholarships or grants for the calendar year may reduce the amount of any allowable tuition and fees deduction or the education credit you may claim for the year.

The amount reported in Box 5 **does not** include:

Included	Not Included
<ul style="list-style-type: none"> <li>• State and Federal Grants</li> <li>• Institutional Scholarships</li> <li>• Outside Scholarships</li> <li>• Third-party payments such as military, WIA, AmeriCorps</li> <li>• Employer or Vendor Payments</li> </ul>	<ul style="list-style-type: none"> <li>• Student loans; for example, subsidized, unsubsidized, PLUS, and alternative loans.</li> <li>• Federal work-study.</li> <li>• Payments from pre-paid or college savings plans.</li> </ul>

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The taxpayer's personal records of what he or she paid during the calendar year must support tax credits. Each taxpayer and his or her tax advisor must make the final determination of qualifying expenses.

**Box 6-Total adjustments to scholarships or grants for a prior year**

Shows adjustments to scholarships or grants for a prior year. This amount may affect the amount of any allowable tuition and fees deduction or education credit you may claim for the prior year. The amount reported in Box 6 represents a reduction in scholarships or grants reported for a prior calendar year. You may have to file an amended income tax return (Form 1040X) for the prior year.

**Box 7**

If this box is checked, the amount in Box 1 or 2 includes amounts for an academic period beginning January-March of the following year that were posted in the previous year. See Pub. 970 on how to report these amounts.

**Box 8**

Shows whether you are considered to be carrying at least one-half the normal full-time workload for your course of study at NWCC. If you are at least a half-time student for at least one academic period that begins during the year, you meet one of the requirements for the Hope credit. You do not have to meet the workload requirement to qualify for the tuition and fees deduction or the Lifetime Learning Credit.

**Box 9**

Shows whether you are considered to be enrolled in a program leading to a graduate degree, graduate-level certificate, or other recognized graduate-level educational credential. If you are enrolled in a graduate program, you are not eligible for the Hope credit, but you may qualify for the tuition and fees deduction or the Lifetime Learning Credit.

**Box 10**

Shows the total amount of reimbursements or refunds of qualified tuition and related expenses made by an insurer. The amount of reimbursements or refunds for the calendar year may reduce the amount of any allowable tuition and fees deduction or education credit you may claim for the year.

**PLEASE NOTE:** Not ALL boxes need to be populated. Box 2 will be empty. In many cases, Boxes 4, 6, 7 and 10 will be empty. Box 5 will ONLY be populated if you received scholarships or grants this year.

It is up to each taxpayer to determine eligibility for the credits and how to calculate them. For more information about the deduction or credit, see Pub. 970, Tax Benefits for Education, Form 8863, Education Credits, and the Form 1040 or 1040A instructions.