



IRS Summertime Tax Tip 2015-14: Back-to-School Education Tax Credits

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IRS Tax Tips

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Back-to-School Education Tax Credits

If you, your spouse or a dependent are heading off to college in the fall, some of your costs may save you money at tax time. You may be able to claim a tax credit on your federal tax return. Here are some key IRS tips that you should know about e tax credits:

- **American Opportunity Tax Credit.** The [AOTC](#) is worth up to \$2,500 per year for an eligible student. You may claim this credit only for the first four years of higher education. Forty percent of the AOTC is refundable. That means if you are eligible, you can get up to \$1,000 of the credit as a refund, even if you do not owe any taxes.
- **Lifetime Learning Credit.** The [LLC](#) is worth up to \$2,000 on your tax return. There is no limit on the number of years that you can claim the LLC for an eligible student.
- **One credit per student.** You can claim [only one type of education credit per student](#) on your tax return each year. If more than one student qualifies for a credit in the same year, you can claim a different credit for each student. For instance, you

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can claim the AOTC for one student, and claim the LLC for the other.

- **Qualified expenses.** You may use [qualified expenses](#) to figure your credit. These include the costs you pay for tuition, fees and other related expenses for an eligible student. Refer to IRS.gov for more on the rules that apply to each credit.

- **Eligible educational institutions.** [Eligible schools](#) are those that offer education beyond high school. This includes most colleges and universities. Vocational schools or other postsecondary schools may also qualify. If you aren't sure if your school is eligible:

- o Ask your school if it is an eligible educational institution, or

- o See if your school is on the U.S. Department of Education's Accreditation [database](#).

- **Form 1098-T.** In most cases, you should receive [Form 1098-T](#), Tuition Statement, from your school by Feb. 1, 2016. This form reports your qualified expenses to the IRS and to you. The amounts shown on the form may be different than the amounts you actually paid. That might happen because some of your related costs may not appear on the form. For instance, the cost of your textbooks may not appear on the form. However, you still may be able to include those costs when you figure your credit. Don't forget that you can only claim an education credit for the qualified expenses that you paid in that same tax year.

- **Nonresident alien.** If you are in the United States on an F-1 Student Visa, the tax rules generally treat you as a nonresident alien for federal tax purposes. To find out more about your F-1 Student Visa status, visit [U.S. Immigration Support](#). To learn more about resident and nonresident alien status and restrictions on claiming the education credits, refer to [Publication 519](#), U.S. Tax Guide for Aliens.

- **Income limits.** These credits are subject to income limitations and may be reduced or eliminated, based on your income.

Visit IRS.gov and use the [Interactive Tax Assistant](#) tool to see if you are eligible to claim education credits. Visit the IRS [Education Credits](#) Web page to learn more. Also see

[Publication 970](#), Tax Benefits for Education. You can get it on [IRS.gov/forms](#) at any time.

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