

1098-T FAQ

In January of each year, CCCS, on behalf of all colleges within the system, mails IRS Form 1098-T to students who had qualified tuition and other related educational expenses billed to them during the previous calendar year (January 1 – December 31, YYYY). (See exceptions in Question 1, below.) This form is **informational only** and should not be considered as tax opinion or advice. It serves to alert students that they may be eligible for federal income tax education credits such as the Lifetime Learning Credit and the Hope Credit as part of their Federal Income Tax Return. Receipt of Form 1098-T, as designed and regulated by the IRS, does not contain all the information needed to claim a tax credit and indicate eligibility for the tax credit. To determine the amount of qualified tuition and fees paid, and the amount of scholarships and grants received, a taxpayer should use their own financial records and seek advice from their tax consultant, as needed.

NOTE: It is up to each taxpayer to determine eligibility for the credits and how to calculate them.

EXAMPLE FORM*:

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		1 Payments received for qualified tuition and related expenses \$		OMB No. 1545-1574 2015 Form 1098-T	Tuition Statement
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		2 Amounts billed for qualified tuition and related expenses \$			
FILER'S federal identification no.	STUDENT'S social security number	3 Check if you have changed your reporting method for 2015 <input type="checkbox"/>		Copy C For Filer For Privacy Act and Paperwork Reduction Act Notice, see the 2015 General Instructions for Certain Information Returns.	
STUDENT'S name		4 Adjustments made for a prior year \$	5 Scholarships or grants \$		
Street address (including apt. no.)		6 Adjustments to scholarships or grants for a prior year \$	7 Check this box if the amount in box 1 or 2 includes amounts for an academic period beginning January - March 2016 <input type="checkbox"/>		
City or town, state or province, country, and ZIP or foreign postal code		8 Check if at least half-time student <input type="checkbox"/>	9 Check if a graduate student <input type="checkbox"/>		
Service Provider/Acct. No. (see instr.)	10 Ins. contract reimb./refund \$				
Form 1098-T		www.irs.gov/form1098t		Department of the Treasury - Internal Revenue Service	

*For updated forms for each year, see <http://www.irs.gov/pub/irs-pdf/f1098t.pdf>

1. Why am I receiving this form or why didn't I get a 1098-T?

Eligible institutions must file for each student that enrolls and for whom a reportable transaction is made as required by the Taxpayer Relief Act of 1997. The 1098-T form is mailed by the end of January and is also available electronically. A copy of this form has also been provided to the IRS.

Eligible institutions are **not** required to file a 1098-T for:

- a. Non-credit courses
- b. Non-resident alien students unless requested by the student
- c. Students whose qualified tuition and related expenses are entirely waived or paid entirely with scholarships

- d. Students that do not maintain a separate financial account or whose qualified tuition and related expenses are covered by a formal billing arrangement between an institution and the student's employer or a government entity (such as the Department of Defense or Department of Veterans Affairs.)

2. Why is Box 1 empty?

Eligible educational institutions may choose to report payments received OR amounts billed, for qualified tuition and related expenses. They must use the same methodology for all calendar years unless the IRS grants permission to change the reporting method.

- a. Box 1 reflects the payments received for qualified tuition and related expenses from all sources during the year for a student method. CCCS has **not** elected this method for reporting.
- b. CCCS uses the second method which is based on amounts billed or charged for qualified tuition and related expenses in Box 2.

3. Why doesn't the Qualified Charges amount include everything I was billed?

- a. This is usually due to Spring charges that post January 1 or Room & Board (which are not included).
- b. Note: The following are **not** qualified tuition and related expenses:
 - i. Amounts paid for any course or other education involving sports, games, or hobbies, unless the course or other education is part of the student's degree program, or is taken to acquire or improve job skills.
 - ii. Charges and fees for room, board, insurance, medical expenses (including student health fees), transportation, and similar personal, living, or family expenses.
 - iii. The cost of books and equipment are generally not qualified expenses because eligible educational institutions usually do not require that the cost of books or equipment be paid to the institution as a condition of the student's enrollment or attendance at the institution.

4. How/Where can I get a detailed listing of the amounts reported on the Form 1098-T? (Tax preparers are asking students to get this information)

- a. Students can get tax information on-line at their college of attendance on Self Service Banner (SSB) available through the 1098T link on the Student Portal.
- b. Note: A student cannot access prior tax year information if the students account has not been active for 3 or more consecutive semesters.

5. Why is my Scholarship amount so high?

- a. Scholarships and Grants in Box 5 include all payments received from 3rd parties (excluding family members and loan proceeds). This includes, but is not limited to governmental and private entries, such as Department of Defense, Department of Veterans Affairs, city and religious organizations, and nonprofits entities. This also includes outside scholarship, employer provided educational assistance (regardless of taxability), or military benefits.

- b. This box **does** include College Opportunity Fund (COF) payments as it represents funds paid by the State on the Student's behalf.

6. Who may I contact if I have additional questions about my Form 1098-T

- a. For more information about reporting on Form 1098-T, see Regulations section 1.6050S-1. Also see Notice 2006-72, 2006-36 I.R.B. 363 available at www.irs.gov/irb/2006-36_IRB/ar10.html

7. What address will my 1098 T be sent to?

- a. 1098T's are sent to the LOCAL address in Banner and if there is no local address listed, it follows the hierarchy below. If you are unsure of your address in Banner, please check with your Registrar's, Cashier's, or Records Office:
 - i. LOCAL
 - ii. PERMANENT
 - iii. STUDENT BILLING ADDRESS

Important Dates to remember:

1. Colleges have until 1-31-YYYY to post mark 1098-T Forms to students.
2. Colleges must file 1098-T information to the government by 3-31-YYYY.