

## Frequently Asked Questions: 1098T for MOWR Participants

### **My child is a high school student at a Technical College System of Georgia college. Why did my student get a 1098-T form?**

If your child had more qualified charges (Box 2) than they had in scholarships and grants (Box 5), the college is required to send the 1098-T form.

### **What is IRS Form 1098T?**

An eligible educational institution, such as a college or university in which you are enrolled, and an insurer who makes reimbursements or refunds of qualified tuition and related expenses to you must furnish this statement to you. You, or the person who can claim you as a dependent, may be able to claim an education credit on Form 1040 or 1040A, only for the qualified tuition and related expenses that were actually paid in the tax year in question. To see if you qualify for the credit, see Pub. 970, Tax Benefits for Education; Form 8863, Education Credits; and the Form 1040 or 1040A instructions.

### **What is the Taxpayer Relief Act of 1997?**

The Taxpayer Relief Act of 1997 (TRA97) introduced several tax incentives on qualifying student loans. The Hope and Lifetime Learning credits provide the ability to take a tax credit for qualifying educational expense. TRA also provides a deduction for the interest paid on qualifying student loans. The Student Loan Interest Deduction is reported on an IRS Form 1098E. The Hope, Lifetime Learning, and American Opportunity Credits are reported on an IRS Form 1098T.

### **How do institutions report payments received?**

Institutions may report either payments received for qualified tuition and related expenses during the calendar year in box 1 or amounts billed for qualified tuition and related expenses during the calendar year in box 2. The amount shown in box 1 or 2 may represent an amount other than the amount actually paid in the tax year in question. All colleges governed by the Technical College System of Georgia report information in box 2, amounts billed for qualified tuition and related expenses during the calendar year.

### **Why did I receive Form 1098T?**

Colleges and Universities are required to send you this form so that you can use it to determine if you are eligible and what dollar amount you can claim for either the American Opportunity Credit or Lifetime Learning tax Credits.

### **What is Form 1098T used for?**

The information on the 1098T form is provided to assist each Student/Taxpayer in preparing the IRS FORM 8863, which is used to claim the American Opportunity or Lifetime Learning Credits. Once complete, the 8863 should be attached to the Student/Taxpayers return to determine eligibility and the amount of the Education credit (if any) that he/she may be entitled to on their Individual Income Tax Return.

### **Do I have to use Form 1098T?**

There is no IRS requirement that you claim a tuition and fees deduction or an educational related tax credit.

### **Can Augusta Technical College provide me tax advice?**

Augusta Technical College cannot offer tax advice. If you have any questions you should consult with a qualified tax professional or the IRS Taxpayer Assistance line at 1-800-829-1040.