

A few FAQ's about the 1098-t

What is the 1098-T form?

The 1098-T form is used by eligible educational institutions to report information about their students to the IRS as required by the Taxpayer Relief Act of 1997. Eligible educational institutions are required to submit the student's name, address, and taxpayer's identification number (TIN), enrollment and academic status. Beginning with 2003, educational institutions must also report amounts to the IRS pertaining to qualified tuition and related expenses, as well as scholarships and/or grants, taxable or not. A 1098-T form must also be provided to each applicable student. This form is informational only. It serves to alert students that they may be eligible for federal income tax education credits. It should not be considered as tax opinion or advice. While it is a good starting point, the 1098-T, as designed and regulated by the IRS, does not contain all of the information needed to claim a tax credit. There is no IRS requirement that you must claim the tuition and fees deduction or an education credit. Claiming education tax benefits is a voluntary decision for those who may qualify.

What am I supposed to do with my 1098-t?

In January of each year, Davis College makes available an IRS Form 1098-T to all students who had qualified tuition and other related educational expenses billed to them during the previous calendar year. 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. Receipt of Form 1098-T does not 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.

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

Did you send a copy of this form to the IRS?

Yes. Section 6050S of the Internal Revenue Code, as enacted by the Taxpayer Relief Act of 1997, requires institutions to file information returns to assist taxpayers and the [Internal Revenue Service](#) in determining eligibility for the Hope and Lifetime Learning education tax credits. Forms are sent at the end of January of each year for the previous tax year.

What educational expenses are considered as qualified tuition and related expenses?

Included

- Graduate and Undergraduate Tuition
- Student fees
- Assessment fees

Not Included

- Residence Hall charges
- Application fees
- Transcript fees
- Diploma fees
- Advances for books and other expenses that were issued directly to the student
- Textbook charges to Davis College student account at Davis College bookstores

For more information about qualified educational expenses please go to:
<http://www.irs.gov/publications/p17/ch35.html#d0e74760>.

Why isn't there an amount in box 1?

The IRS instructs institutions to report **either** payments received (Box 1) **or** amounts billed for qualified tuition and related expenses (Box 2) on the 1098-T. Once an institution has selected one of these options, they cannot change reporting methods between calendar years without IRS permission. **Davis College reports qualified tuition and related expenses that were billed during the tax year (Box 2)** and scholarships and grants, therefore, Box 1 – Payments Received for Qualified Tuition and Related Expenses, **will be blank**.

What other information do I need to claim the tax credit?

While it is a good starting point, the 1098-T, as designed and regulated by the IRS, does not contain all of the information needed to claim a tax credit. Most of the information needed must come from the student's personal financial records of what the student paid during the calendar year. Additionally, each taxpayer and his or her tax advisor must make the final determination of qualifying expenses.

If I pay college tuition and fees with a scholarship, can I claim an education credit on Form 8863 for those payments?

No. You cannot claim a credit for the amount of higher education expenses paid for by tax-free scholarships. For more information, please visit the IRS website.

What is Davis College's Tax Identification Number?

The Davis College Federal Identification Number is **15-6019050**. This number can also be found on the 1098-T form in the middle left section.

What if I still have questions?

If you have additional questions/concerns you can reach us

- **by E-mail:** lchurchward@davisny.edu, lellis@davisny.edu
- **by Phone:** (607) 729-1581 x304 or x403
- **IRS Tax Info:** (800) 829-1040

Note: *Please be advised that Davis College is prohibited from providing legal, tax, or accounting advice to students and we are not responsible for any use you make of this information.*