

IRS FORM 1098-T AND EDUCATIONAL TAX INFORMATION FOR TAX YEAR 2023

What is the IRS Form 1098-T?

A 1098-T is a statement of payments including grants, loans, and scholarships received during the calendar year 2023 for Qualified tuition and related expenses. (QTRE) The 1098-T does not indicate your eligibility for tax benefits; rather, it provides you with information about your account which you or your tax preparer may use to determine your education tax benefit eligibility. The information on the 1098T is filed with the IRS.

Why are payments listed in Box 1 on my 1098-T different from what I actually paid?

Box 1 includes payments from all sources including direct payments, loans, grants and scholarships. Not all charges are considered eligible by the IRS. For example, room and board charges are not considered eligible charges by the IRS. Box 1 will reflect only payments up to the amount of eligible charges for which you were billed in the calendar year.

Why are two semesters of payments showing in Box 1? I only attended one semester in 2023?

The payments reported in Box 1 reflect direct payments, grants, loans and scholarships received during the calendar year 2023, regardless of the dates of the semester to which those payments apply.

What tax benefits am I eligible for? The 1098-T does not indicate your eligibility for tax benefits.

You may be eligible for certain tax incentives even if you are not issued a 1098T

You may receive a 1098T but not qualify for education tax benefits

The 1098T provides information that you may use to determine your eligibility for tax incentives

Where can I see more details of the number in Box 1? Student account details are available on myHill, View 1098T in the right column.

How can I get another copy of my 1098T? Copies of the 2023 and prior year 1098T forms are available on myHill, View 1098T in the right column.

AMERICAN OPPORTUNITY CREDIT

You may be able to take a credit of up to \$2,500 for qualified education expenses paid for each student who qualifies for the American Opportunity Credit. This credit equals 100% of the first \$2,000 and 25% of the next \$2,000 of qualified expenses paid for each eligible student. The amount of your credit for 2023 is gradually phased out if your Modified Adjusted Gross Income (MAGI) is between \$80,000 and \$90,000 (\$160,000 and \$180,000 if you file a joint return). You cannot claim a credit if your MAGI is \$90,000 or more (\$180,000 or more if you file a joint return).

If you are not eligible for the American Opportunity Credit, you may be able to take the **Lifetime Learning Credit** for part or all of the student's qualified education expenses instead.

LIFETIME LEARNING CREDIT

The Lifetime Learning Credit equals 20% of qualified expenses paid, up to a maximum of \$10,000 of qualified expenses per return. Therefore, the maximum Lifetime Learning Credit you can claim on your return for the year is \$2,000, regardless of the number of students for whom you are claiming the credit. The amount of your credit for 2023 is gradually reduced if your Modified Adjusted Gross Income (MAGI) is between \$80,000 and \$90,000 (\$160,000 and \$180,000 if you file a joint return). You cannot claim a credit if your MAGI is \$90,000 or more (\$180,000 or more if you file a joint return).

Caution: You can claim both the American Opportunity Credit and the Lifetime Learning Credit on the same return—but not for the same student.

Please see the reverse side for further details on each of the tax credits. Tax credit information is available on the IRS website.

Comparison of Education Credits for the 2023 Tax Year

	American Opportunity Credit	Lifetime Learning Credit
Maximum credit	Up to \$2500 credit per eligible student	Up to \$2000 credit per return
Limit on modified adjusted gross income (MAGI)	\$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er)	\$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er)
Refundable or nonrefundable	40% of credit may be refundable; the rest is non-refundable	Nonrefundable--credit limited to the amount of tax you must pay on your taxable income.
Number of years of postsecondary education	Available ONLY for the first 4 years of postsecondary education	Available for all years of postsecondary education and for courses to acquire or improve job skills
Number of tax years credit available	Available ONLY for 4 tax years per eligible student (including any year(s) Hope credit was claimed)	Available for an unlimited number of years
Type of degree required	Student must be pursuing an undergraduate degree or other recognized education credential	Student does not need to be pursuing a degree or other recognized education credential
Number of courses	Student must be enrolled at least half time for a least one academic period beginning during the year	Available for one or more courses
Felony drug conviction	As of the end of 2023, the student had not been convicted of a felony for possessing or distributing a controlled substance	Felony drug convictions don't make a student ineligible
Qualified expenses	Tuition, required enrollment fees, and course materials that the student needs for a course of study whether or not the materials are bought at the educational institution as a condition of enrollment or attendance	Tuition and required enrollment fees (including amounts required to be paid to the institution for course-related books, supplies, and equipment.)
Payments for academic periods	Payments made in 2023 for academic periods beginning in 2023 and in the first 3 months of 2024	

Stonehill College staff members are not tax professionals, and given the complexity of the tax code, we unfortunately cannot provide tax advice or determine your eligibility for education tax benefits. We can provide you with information about your Stonehill account, which you may need to determine your eligibility for tax benefits; detailed information of account transactions is available through myHill at myBill. Many students and families report that in order to determine their education tax benefit eligibility, they need 1098-T statements from the current and prior calendar years and records of other qualified expenses and records of payments made. For more information, we encourage you to see [IRS Publication 970\(PDF\)](#) or consult your tax advisor.