



1098-T Tax Form – Frequently Asked Questions

Q: What is the purpose of a 1098-T Form?

A: The 1098-T Form is a Tuition Statement provided by educational institutions to all eligible students who pay enrollment fees (including non-resident tuition) during the calendar year.

1098-T Forms are provided to each applicable student. These forms are informational only and serve to alert students that they may be eligible for federal income tax education credits. A 1098-T Form should not be considered as a 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 regulation 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.

Q: Why did I receive a 1098-T and what am I supposed to do with it?

A: In **January** of each year, an IRS Form 1098-T is mailed to students who had qualified tuition and other related educational expenses. A student who paid enrollment fees, including non-resident tuition, less any refunds, waivers or scholarships during the calendar year can expect to receive a 1098-Tax Form. The form is 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.

Q: Why did I not receive a 1098-T Form this year?

A: The eligibility requirements were not met if you did not receive a 1098-T Form.

Q: What are qualified educational expenses?

A: Qualified educational expenses include tuition and fees at eligible institutions. They can also include certain course materials, if required, to be enrolled. However, other expenses such as transportation, room and board (if applicable), parking permits, and similar personal costs are not qualified educational expenses.

Q: What is an eligible institution?

A: An eligible institution can be a college, university, technical college or other institution. The school must be eligible to participate in the Department of Education's student aid programs.

Q: Why don't the numbers on the Form 1098-T equal the amounts I paid to Locklin Tech during the calendar year?

A: There could be several reasons for this discrepancy. The amount in Box 1 represents amounts you paid for qualified tuition and related expenses less any reimbursements or refunds and does not include charges for books, fees, parking, etc. These are not considered mandatory education expenses for tax purposes.

Q: What are education tax credits?

Some education benefits are credits. Credits can help reduce your tax dollar-for-dollar. The American Opportunity Tax Credit can be worth up to \$2,500. And, because it is a refundable credit, you could get money even if you don't owe any taxes. This credit only applies to undergraduate tuition and is limited to four years. Another credit is the Lifetime Learning Credit which can help pay for any level of college or for education courses that advance or improve your job skills. It's not as much, and it is not refundable, but it is still a great way to reduce the tax you owe. Please refer to your student financial records to determine the amount of qualified tuition and related expenses that you actually paid during the calendar year when computing your credit.

Q: How do I claim a tax credit and am I required to do this?

A: Locklin Tech staff cannot determine if you qualify for a tax credit or respond to tax questions. Please contact the IRS for more information at www.irs.gov or consult your tax preparer.

Q: Will I receive a 1098-T if I received the Pell Grant or any other Scholarship funds?

No, a 1098-T will not be issued for any tuition or other qualified educational expenses paid with tax-free educational assistance including scholarships, Pell Grant, employer-provided educational assistance, veterans' educational assistance, and any other nontaxable (tax free) payments received as educational assistance.

Q: Does the 1098-T include charges for books?

A: No, Box 1 of Form 1098-T does not include expenses for books. You should consult with your tax advisor to determine if payments for books, equipment or fees should be considered when preparing your income tax return and determining eligibility for education tax credits or deductions. A good practice is to keep all receipts issued to you when paying for expenses. These receipts may serve beneficial when determining the dollar amount of educational expenses paid.

Q: I am not eligible to receive a 1098-T Form. Can a tax form be produced even if I am not eligible?

A: Per IRS regulations, educational institutions cannot produce a 1098-T for students who are not eligible to receive one.

Q: Where can I get a duplicate copy of my 1098-T Form?

A: Please contact Student Services to request a duplicate copy.

Q: What is the bottom line with 1098-T Tax Forms?

A: A 1098-T Tax Form has valuable information that may reduce your taxes. A trained tax professional is a great resource to help you and/or your family figure out which education tax credits are best for you. ***Please be advised that Locklin Tech is prohibited from providing legal, tax, or accounting advice to students and we are not responsible for any use you make of this information.***