**Explanation of IRS Form 1098-T**

* The IRS Form 1098-T is an information form filed with the Internal Revenue Service.
* The IRS Form 1098-T that you received reports amounts paid for qualified tuition and related expenses, as well as other related information.
* You, or the person who may claim you as a dependent, may be able to take either the tuition and fees deduction or claim an education credit on Form 1040 or 1040A for the qualified tuition and related expenses that were actually paid during the calendar year.
* There is no need to attach Form 1098-T to your tax return.
* All information and assistance that TCC can provide to you is contained in this notice.
* 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.

**Amounts Paid for Qualified Tuition and Related Expenses**

**Box 1** of Form 1098-T reports the qualified tuition and related expenses paid during the calendar year. Qualified tuition and related expenses are sometimes referred to as qualified education expenses, although the terms are not always interchangeable. For purposes of the Form 1098-T provided by Tacoma Community College, the following categories of charges are included or not included in qualified tuition and related expenses.

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| |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Qualified Tuition and Related Expenses** | | |  |  | | **Included** | **Not Included** | |  |  | |  |  |  |  |  | | Resident and Non-resident Tuition | Late Charges | |  |  | | Program Tuition | Application Fees | |  |  | | College Fees | Processing Fees | |  |  | | Special Class Fees | Health Insurance Premiums | | |  | | Associated Students Fee | Payment Plan Fee | |  |  | | Student Programs Fee | Course Related Books and Equipment | | | | | Health and Wellness Fee | Registration fees paid for non-credit courses | | | | | Technology Fee |  |  |  |  | | Student Facility Fee |  |  |  |  | | Safety Fee |  |  |  |  | | eLearning Fee |  |  |  |  | | |  |  |  |
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**Adjustments Made for a Prior Year**

**Box 4** of Form 1098-T reports adjustments made to qualified tuition and related expenses reported on a prior year Form 1098-T in Box 1. The amount reported in Box 4 represents a reduction in tuition paid during a prior calendar year. For example, if you paid Spring semester classes in December and withdrew from classes in January which resulted in a refund, Box 4 reports the decrease in paid tuition due to the withdrawal. The amount reported in Box 4 for adjustments to qualified tuition and related expenses may reduce any allowable education credit you may claim for the prior year. See IRS Form 8863 or IRS Publication 970 for more information.

**Scholarships or Grants**

**Box 5** of Form 1098-T reports the total of scholarships or grants administered and processed by the Financial Aid during the calendar year.

**The amount reported in Box 5 does not include:**

* Tuition waivers provided during the calendar year due to the student's status as a benefit’s eligible faculty or staff member.
* Tuition waivers provided during the calendar year due to the student's status as an eligible research or teaching assistant/associate.
* Student loans, for example subsidized, unsubsidized, PLUS, and alternative loans.
* Work-study.
* Scholarships, grants, reimbursements or other types of sponsorships not administered or processed by Financial Aid.

The amount of any scholarships or grants reported for the calendar year and other similar amounts not reported (because they are not administered and processed by TCC) may reduce the amount of any allowable tuition and fee deduction or education credit that you are entitled to.

Beginning with the 2011 tax year, Veterans Education Benefit amounts received (Post 9/11 GI Bill) will now be included in Box 5.  For additional information on Veterans Education Benefits, please visit either the[IRS](http://www.irs.gov/pub/irs-pdf/p970.pdf) or the[Department of Veterans Affairs](http://gibill.custhelp.com/app/answers/detail/a_id/172/session/L3RpbWUvMTMyNzUxMjk1NC9zaWQvT255di0xUGs%3D) website.

You may view your 1098T by logging into your student ctcLink account. Under the Student Home page, click on Financial account, select View 1098T.

A 1098T is not required by the IRS for the following situations:

• Courses for which no academic credit is offered, even if the student is otherwise enrolled in a degree program;

• Nonresident alien students, unless requested by the student;

• Students whose qualified tuition and related expenses are entirely waived or paid entirely with scholarships; and

• Students for whom you do not maintain a separate financial account and whose qualified tuition and related expenses are covered by a formal billing arrangement between an institution and the student’s employer or a governmental entity, such as the Department of Veterans Affairs or the Department of Defense.

**Adjustments to Scholarships or Grants for a Prior Year  
Box 6** of Form 1098-T reports adjustments made to scholarships or grants reported on a prior year Form 1098-T in Box 5. The amount reported in Box 6 represents a reduction in scholarships or grants reported for a prior calendar year. The amount reported in Box 6 for adjustments to scholarships or grants may affect the amount of any allowable tuition and fees deduction or education credit you may claim for the prior year. See IRS Form 8863 for how to report these amounts.

**Additional Information Reported**  
There are three additional information boxes that may have a check mark in them.

**Box 7** indicates, if checked, that Box 1 includes amounts for an academic period beginning in the next calendar year. For example, if you registered and paid for the upcoming Spring semester during November or December, this box will be marked.

**Box 8** shows whether you are considered to be carrying at least one-half the normal full-time workload for your course of study at for at least one academic period during the calendar year.

**Box 9** shows whether you are considered to be enrolled in a program leading to a graduate degree, graduate-level certificate, or other recognized graduate-level educational credential which is not applicable at TCC.

**Attaching Form 1098-T to Your Tax Return**  
You are not required to attach IRS Form 1098-T to your tax return. The IRS Form 1098-T is not like the IRS Form W-2 obtained from your employer, which is required to be attached to the tax return filed with the IRS. The primary purpose of the IRS Form 1098-T is to let you know that TCC has provided required information to the IRS to assist them in determining who may be eligible to claim the tuition and fee deduction or an education credit.

**If Your 1098-T is Incorrect**  
The Social Security Number and address on Form 1098-T were obtained from information provided to TCC, although the address shown on Form 1098-T is irrelevant for IRS income tax filing purposes. The single most important information on the form is your Social Security Number. Your Social Security Number must be correct. Please email sfs@tacomacc.edu if the Social Security Number on your 1098-T is not the correct number.