

## Explanation of IRS Form 1098-T

The IRS Form 1098-T is provided, as required by the IRS, to provide information that may assist you in completing your individual tax return. **The information listed on IRS Form 1098-T may be different than the amount you actually paid towards Qualified Tuition and Related Expenses (hereafter known as QTRE). We strongly recommend seeking professional assistance when claiming an education tax credit.** Regardless of the information provided on the 1098-T, if you choose to claim an education tax credit, you should always keep documentation such as invoices and receipt of payment that supports any claimed tax credit even if you report only what is on 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 receive 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 claim an education tax credit on IRS Form 1040 for the qualified tuition and related expenses that were actually paid during the calendar year.
- **All information that Kirkwood Community College can provide you with is either on the 1098-T form or is included on this webpage. We are not allowed to discuss tax effects, how this form may relate to you, or give tax advice. Please consult your tax preparer with all questions related to this document. Some helpful links to the IRS at the bottom of this page may provide you more information related to how form 1098-T may affect you. As we cannot provide tax advice or the implications of the IRS Form 1098-T, we will only be able to direct you or your tax preparer to this webpage to answer your questions.**

## Where can I find my 1098-T?

A copy of the form 1098-T is available to students online. Simply login to your [MyHub](#) Account, click on Billing +Payments, and then click 1098T link under the Taxes section. A link to your 1098-T information will be available. If you have not consented to view your 1098T electronically you will have to do that before you can view your form. From there you can review the information and print a copy for your records.

If you did not consent to have your 1098T sent electronically before Jan 31<sup>st</sup>, a copy of it was mailed to the address we have on file. You can consent to view it at any time. We cannot email the 1098T so you will either need to consent to view it online or wait to receive it in the mail.

## When will my 1098-T be available?

If a student has agreed to receive their 1098-T form electronically, it will be available in MyHub by Jan. 31<sup>st</sup>. For students not receiving a 1098-T electronically, physical copies will be mailed via USPS by Jan. 31<sup>st</sup>.

## What information is included in the 1098-T?

**BOX 1** is referred to as qualified education payments. The amount reported in box 1 is the total amount of payments received less any reimbursements or refunds made during the calendar year. The amount reported is not reduced by scholarships and grants reported in box 5. Consult a tax professional for explanation.

*Please note, per IRS Publication 970 states that "the amount on form 1098-T might be different from the amount you actually paid and are deemed to have paid." Further IRS Form 8863 instructions state that "The amount of qualified Tuition and related expenses reported on Form 1098-T may not reflect the total amount of the qualified tuition and related expenses paid during the year for which you may claim the tax credit. You may include qualified tuition and related expenses that are not reported on IRS Form 1098-T when claiming one of the related credits if you can substantiate payment of these expenses."*

### **Adjustments Made for a Prior Year**

**BOX 4** of IRS Form 1098-T reports adjustments made to qualified tuition and related expenses calculated in a prior year. The amount reported in Box 4 represents a reduction in tuition billed during a prior calendar year. For example if you were billed in Nov-Dec and later had a reduction in the QTRE charges in the next year (ie withdrawal, courses dropped), Box 4 reports the decrease in billed tuition due to the withdrawal or drop. The amount reported in BOX 4 reports the decrease in QTRE from the withdrawal or drop of courses that reduced the QTRE. 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 your tax advisor and/or IRS Form 8863/IRS Publication 970 for more information.

Note: It is possible for the other boxes to be empty and only have a number in BOX 4. This means as stated above that there was a reduction in qualified tuition and related expenses calculated on the 2019 1098-T that was reduced after December 31, 2019 but had no other reportable activity for the 2020 calendar year. Please consult a tax advisor and/or IRS Form 8863 and IRS Publication 970 for assistance.

### **Scholarships and/or Grants**

**BOX 5** of IRS Form 1098-T reports the total of scholarships or grants. This generally includes all payments received from a third party.

Per IRS instruction, Veteran's Education Benefit amounts received are included in BOX 5.

### **Adjustments to Scholarships or Grants For a Prior Year**

**BOX 6** of IRS Form 1098-T reports adjustments made to scholarships or grants reported on a prior year Form 1098-T that was in BOX 5. The amount reported in BOX 6 represents a reduction in scholarships or grants reported for a prior calendar year.

## **Additional Information Reported**

**BOX 7** indicates, if checked, that BOX 1 includes amounts for an academic period beginning in the next year (2021). 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 at least one-half of the normal full-time workload 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 level degree, certificate, or other recognized education credential.

**For 1098Ts issued after 2017 Box 2 and 3 will always be blank by design**

Additionally, the links below may be helpful in understanding the instructions, purpose, and applicability of the 1098-T for your individual tax situation. **All information that Kirkwood Community College can provide you is either on the 1098-T form or is included on this webpage. We are not allowed to discuss tax suggestions, how this form may relate to you, or give tax advice. Please consult your tax preparer with all questions related to this document. Some helpful links to the IRS at the bottom of this page may provide you more information related to how form 1098-T may affect you. Please seek guidance from a tax professional.**

<https://www.irs.gov/individuals/students>

<https://www.irs.gov/taxtopics/tc421>

<https://www.irs.gov/individuals/international-taxpayers/foreign-students-and-scholars>

<https://www.irs.gov/newsroom/tax-benefits-for-education-information-center>

<https://www.irs.gov/forms-pubs/about-publication-970>