

Sample article for organizations to use to reach customers (622 word count)

Post the following article on your websites and/or use in other communication vehicles to help your customers learn more about education credits.

Education Credits may help you pay some higher education costs

Are you, your spouse or a dependent going to college in the fall? If so, you may be able to claim a tax credit on your federal tax return. Both the [American Opportunity Tax Credit](#) and the [Lifetime Learning Credit](#) may reduce the amount of tax you owe, but only the American Opportunity Tax Credit is partially refundable.

American Opportunity Tax Credit

- You may be able to claim up to \$2,500 per eligible student.
- The credit applies to the first four years at an eligible college or vocational school.
- It reduces the amount of tax you owe. If the credit reduces your tax to less than zero, up to \$1,000 may be refunded to you.
- It's available for students earning a degree or other recognized credential.
- The credit applies to students going to school at least half of the time, for at least one academic period that started during the tax year.
- Costs that apply to the credit include the cost of tuition, books and required fees and supplies.
- You are **not** eligible if you were convicted of a felony for controlled substances as of the end of 2015.

Lifetime Learning Credit

- This credit is limited to \$2,000 per tax return, per year.
- The credit applies to all years of higher education for students enrolled in one or more courses at an eligible institution, including classes for learning or improving job skills.
- The credit is limited to the amount of your taxes.
- Costs that apply to the credit include the cost of tuition, required fees, books, supplies and equipment that you must buy from the school.

Both Credits

- The credits apply to an eligible student. Eligible students include yourself, your spouse or a dependent that you list on your tax return.

- You must file Form 1040 or 1040A and complete [Form 8863, Education Credits](#), to claim these credits on your tax return.
- Your school should give you a Form 1098-T, Tuition Statement, showing expenses for the year. Form 1098-T contains helpful information needed to complete Form 8863.
- You can't claim either credit if someone else claims the student as a dependent.
- You can't claim both credits for the same student or for the same expense, in the same year.
- The credits are subject to income limits that could reduce the amount you can claim on your return.

Form 1098-T

In most cases, you should receive [Form 1098-T](#), Tuition Statement, from your school by Feb. 1, 2016. This form reports your qualified expenses to the IRS and to you. The amounts shown on the form may be different from the amounts you actually paid. That might happen because some of your related costs may not appear on the form. For instance, the cost of your textbooks may not appear on the form. However, you still may be able to include those costs when you figure your credit. Don't forget that you can only claim an education credit for the qualified expenses that you paid in that same tax year.

Visit [IRS.gov](#) and use the [Interactive Tax Assistant tool](#) to see if you're eligible to claim education credits or visit the IRS [Education Credits](#) Web page to learn more.

Also see [Publication 970](#), Tax Benefits for Education. You can get it on [IRS.gov/forms](#) at any time.

NOTE TO EDITOR: Below are additional links to help taxpayers find information about education credits.

IRS YouTube Videos:

- Education Tax Credits – [English](#) | [Spanish](#) | [ASL](#)

IRS Podcasts:

- Education Tax Credits – [English/Spanish](#)