

American Opportunity Tax Credit (AOTC)



Generally, to be eligible for the American Opportunity Tax Credit, the student must:

- Be pursuing a degree or other recognized education credential.
- Be enrolled at least half time for at least one academic period beginning in the tax year.
- Not have finished the first four years of higher education at the beginning of the tax year.
- Not have claimed the AOTC or the former Hope credit for more than four tax years.
- Not have a felony drug conviction at the end of the tax year.



Maximum Amount – You can receive up to a \$2,500 credit per eligible student, which phases out if your modified adjusted gross income is over \$80,000 (\$160,000 for joint filers). For most individuals, the modified adjusted gross income is the adjusted gross income reported on line 11 of their tax return.

Qualified Paid Expenses – Claim the credit for tuition, required enrollment fees, and books, supplies, and equipment needed for the course of study, whether or not the materials are purchased from the educational institution.

Taxpayer Identification Number (TIN) – The taxpayer and student, if different, must have a social security number (SSN) or other TIN that was issued by the due date of their tax return (including extensions). If the SSN is issued after the due date or the taxpayer or student applied for a different TIN from the IRS after the due date, the taxpayer cannot amend their return and claim the credit.

Eligible Educational Institution – Any accredited college, university, trade school, or other postsecondary educational institution eligible to participate in a student aid program administered by the U.S Department of Education is included.

Form 1098T – Eligible educational institutions are required to send Form 1098-T, Tuition Statement, to students who paid qualifying expenses.

Eligibility – You can claim the AOTC for yourself, your spouse, or a dependent claimed on your return.

Claim the AOTC on **Form 8863**, Education Credits. **See Publication 970**, Tax Benefits for Education, or use the IRS Interactive Tax Assistant tool **“Am I Eligible to Claim an Education Credit?”** to help you determine if your education expenses qualify for a tax benefit.

For more information, visit www.irs.gov/AOTC or scan the QR Code:

