

**Exclusion of Interest From Series EE
U.S. Savings Bonds Issued After 1989
(For Filers With Qualified Higher Education Expenses)**

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040 or Form 1040A.
▶ See instructions on back.

Attachment
Sequence No. **57**

Caution: If your filing status is married filing a separate return, **do not** file this form. You may not take the exclusion even if you paid qualified higher education expenses in 1991.

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|-------------------------|-----------------------------|
| Name(s) shown on return | Your social security number |
|-------------------------|-----------------------------|

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|---|---|
| 1 (a) Name of person (you, your spouse, or your dependent) who was enrolled at, or attended, an eligible educational institution | (b) Name and address of eligible educational institution |
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If you need more space, attach a statement.

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|--|-----------|-----|--|
| 2 Enter the total qualified higher education expenses you paid in 1991 for the persons listed in column (a) of line 1. See the instructions to find out which expenses qualify | 2 | | |
| 3 Enter the total of any nontaxable educational benefits (such as nontaxable scholarship or fellowship grants) received for 1991 for the persons listed in column (a) of line 1. (See instructions.) | 3 | | |
| 4 Subtract line 3 from line 2. (If the result is less than zero, enter -0-.) Note: If line 4 is zero, stop here; you may not take the exclusion. | 4 | | |
| 5 Enter the total proceeds (principal and interest) from all series EE U.S. savings bonds issued after 1989 that you cashed during 1991 | 5 | | |
| 6 Enter the interest included on line 5. (See instructions.) | 6 | | |
| 7 Compare the amounts on lines 4 and 5 above. • If line 4 is less than line 5, divide line 4 by line 5. Enter the result as a decimal (to at least two places). • If line 4 is greater than or equal to line 5, enter "1.00." | 7 | × . | |
| 8 Multiply line 6 by line 7. | 8 | | |
| 9 Enter your modified adjusted gross income. (See instructions.) Note: If line 9 is \$56,950 or more (\$92,900 or more if married filing a joint return), stop here; you may not take the exclusion. | 9 | | |
| 10 • If your filing status is married filing a joint return , enter \$62,900. • All others, enter \$41,950. | 10 | | |
| 11 Subtract line 10 from line 9. (If the result is zero or less, skip line 12, enter -0- on line 13, and go to line 14.) | 11 | | |
| 12 • If your filing status is married filing a joint return , divide line 11 by \$30,000. Enter the result as a decimal (to at least two places). • All others, divide line 11 by \$15,000. Enter the result as a decimal (to at least two places). | 12 | × . | |
| 13 Multiply line 8 by line 12 | 13 | | |
| 14 Excludable savings bond interest. Subtract line 13 from line 8. Enter the result here and on Schedule B (Form 1040), line 3, or Schedule 1 (Form 1040A), line 3, whichever applies . . ▶ | 14 | | |

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 53 min.; **Learning about the law or the form**, 11 min.; **Preparing the form**, 35 min.; and **Copying, assembling, and sending the form to the IRS**, 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

General Instructions

Purpose of Form.—If you cashed series EE U.S. savings bonds that were issued after 1989, you may be able to exclude from your income part or all of the interest on those bonds. But you must have paid qualified higher education expenses during the year for you, your spouse, or your dependents. Form 8815 is used to figure the amount of interest on series EE U.S. savings bonds that you may exclude from your income.

Who Must File.—You must file Form 8815 if you are excluding series EE U.S. savings bond interest from your income. You may be eligible to exclude the interest from your income if **all four** of the following apply:

1. You cashed qualified U.S. savings bonds during 1991 that were issued after 1989.
2. You paid qualified higher education expenses during 1991 for you, your spouse, or your dependents.
3. Your filing status is single, married filing a joint return, head of household, or qualifying widow(er) with dependent child.
4. Your modified adjusted gross income is less than \$56,950 (\$92,900 if your filing status is married filing a joint return). Use the worksheet under the line 9 instructions to figure your modified adjusted gross income.

U.S. Savings Bonds That Qualify for Exclusion.—To qualify for the exclusion, the bonds must be series EE U.S. savings bonds issued after 1989 in your name, or, if you are married, they may be issued in your name and your spouse's name. Also, you must have been age 24 or older before the bonds were issued. Thus, a bond bought by a parent and issued in the name of his or her child who is under age 24 will not qualify for the exclusion by the parent or child.

Recordkeeping Requirements.—To enable you to verify the amount of interest you exclude, please keep the following records:

- A written record of each post-1989 series EE U.S. savings bond that you cash. Your written record must include the serial number, issue date, face value, and total redemption proceeds (principal and interest) of each bond. If you wish, you may use for this purpose **Form 8818**, Optional Form To Record Redemption of College Savings Bonds.
- Bills, receipts, canceled checks, or other documentation showing that you paid qualified higher education expenses during the year.

Line Instructions

To figure the amount of interest you may exclude, you must complete the following lines on your tax return if they apply to you.

- If you are filing Form 1040, complete lines 7, 8b, 9 through 22, and 24a through 30. Also complete Schedule B (Form 1040) through line 2.

- If you are filing Form 1040A, complete lines 7, 8b, 9 through 13b, and 15a through 15c. Also complete Schedule 1 (Form 1040A) through line 2.

Caution: *If you received social security benefits, use the worksheet in **Pub. 915**, Social Security Benefits and Equivalent Railroad Retirement Benefits, to figure the taxable amount, if any, of your benefits. Do not use the social security worksheet in the instructions for Form 1040 or Form 1040A. If you made a contribution to your IRA for 1991 and you were covered by a retirement plan at work or through self-employment, use the chart and worksheets in **Pub. 590**, Individual Retirement Arrangements (IRAs), to figure the amount of your IRA deduction. Do not use the chart or IRA worksheet in the instructions for Form 1040 or Form 1040A.*

Line 1, column (a).—Enter the name of the person who was enrolled at or attended an eligible educational institution. This person must be you, your spouse, or your dependent(s) whom you claim on line 6c of Form 1040 or Form 1040A.

Line 1, column (b).— Enter the name and address of the eligible educational institution. If the person was enrolled at, or attended, more than one institution, list the names and addresses of all institutions. An **eligible educational institution** is a college, university, or vocational education school.

Line 2.—**Qualified higher education expenses** include only tuition and fees required for the enrollment or attendance of the person(s) listed on line 1, column (a), at the eligible educational institution(s) listed on line 1, column (b). They **do not** include expenses for the following:

- Room and board.
- Courses involving sports, games, or hobbies that are not part of a degree or certificate granting program.

Do not include on line 2 expenses that were covered by nontaxable educational benefits paid directly to, or by, the educational institution.

Line 3.—Enter on line 3 the total qualified higher education expenses included on line 2 that were covered by nontaxable educational benefits.

Example. You paid \$6,000 of qualified higher education expenses in 1991 to the eligible educational institution your son attended. You claim your son as a dependent on line 6c of your 1991 tax return. Your son received a \$2,000 nontaxable scholarship grant for 1991, which was paid directly to him. You would enter \$6,000 on line 2 and \$2,000 on line 3.

Nontaxable educational benefits include:

- Scholarship or fellowship grants excludable from income under Internal Revenue Code section 117.
- Veterans' educational assistance benefits.
- Employer-provided educational assistance benefits.

- Any other payments (but not gifts, bequests, or inheritances) for educational expenses that are exempt from income tax by any U.S. law.

Do not include on line 3 nontaxable educational benefits paid directly to, or by, the educational institution.

Line 6.—If you used Form 8818 to record the bonds you cashed in 1991, enter on line 6 the amount from Form 8818, line 5. If you did not use Form 8818, use the worksheet below to figure the amount to enter on line 6.

Worksheet (keep for your records)

- A. Enter the face value of all post-1989 bonds cashed in 1991 _____
- B. Enter the amount from Form 8815, line 5 _____
- C. Divide line A above by 2. _____
- D. Subtract line C from line B. This is the interest on the bonds. Enter the result here and on Form 8815, line 6 _____

Line 9.—Use the worksheet below to figure your modified adjusted gross income. But if any of the following applies, see **Pub. 550**, Investment Income and Expenses, before using the worksheet below.

- You are filing **Form 2555**, Foreign Earned Income, or **Form 4563**, Exclusion of Income for Bona Fide Residents of American Samoa.
- You are excluding income from Puerto Rico.
- You have investment interest expense attributable to royalty income.

Worksheet (keep for your records)

- A. • If you are filing Form 1040, enter the amount from Schedule B, line 2. } _____
 • If you are filing Form 1040A, enter the amount from Schedule 1, line 2. } _____
- B. • If you are filing Form 1040, add the amounts on lines 7, 9 through 15, 16b, 17b, 18 through 20, 21b, and 22. Enter the total. } _____
 • If you are filing Form 1040A, add the amounts on lines 7, 9, 10b, 11b, 12, and 13b. Enter the total. } _____
- C. Add lines A and B _____
- D. • If you are filing Form 1040, enter the amount from line 30. } _____
 • If you are filing Form 1040A, enter the amount from line 15c. } _____
- E. Subtract line D from line C. Enter the result here and on Form 8815, line 9 _____