

Sample article for organizations, colleges, and others to use to reach customers (434 word count)

Provide the following article in your communication vehicles about tax benefits they may be missing.

Are You Paying College Expenses? You may be missing out on tax benefits.

The Internal Revenue Service reminds students or parents paying expenses such as tuition and fees to keep receipts and be aware of some tax benefits that can help offset college costs. Typically, these benefits apply to you, your spouse or a dependent you claim as an exemption on your tax return.

American Opportunity Tax Credit: This credit is available through 2012. The credit can be up to \$2,500 per eligible student and is available for the first four years of post secondary education. Forty percent of this credit is refundable, which means that you may be able to receive up to \$1,000, even if you owe no taxes. Qualified expenses include tuition and fees, course-related books, supplies and equipment. The full credit is generally available to eligible taxpayers whose modified adjusted gross income is below \$80,000 or below \$160,000 for married couples filing a joint return.

The student must be enrolled at least as a half-time student. Educational institutions are required to file and provide you with a Form 1098-T, Tuition Statement, for each enrolled student for whom a reportable transaction is made. A reportable transaction is payment they received or the amounts they billed for tuition and related expenses

Lifetime Learning Credit: In 2011, you may be able to claim a Lifetime Learning Credit of up to \$2,000 per return for qualified education expenses paid for one or more students enrolled in eligible educational institutions. There is no limit on the number of years you can claim the Lifetime Learning Credit for eligible students, but to claim the credit, your modified adjusted gross income must be below \$60,000 or below \$120,000 if married filing jointly.

For each student, you can choose to claim only one of the two credits in a single tax year. However, if you pay college expenses for two or more students in the same year, you can choose to take credits on a per-student, per-year basis. For example:

You can claim the American Opportunity Credit for your sophomore daughter and the Lifetime Learning Credit for your graduate son.

Tuition and Fees Deduction: You may also be eligible to claim the tuition and fees deduction. However, you cannot claim the deduction for the same student in the same year that you claim the American Opportunity Credit or the Lifetime Learning Credit. You must choose to either take the credit or the deduction. *You should consider which is more beneficial for you.*

For more information, visit the IRS' [Tax Benefits for Education Information Center](#) or download [Publication 970](#), Tax Benefits for Education (or can also order it by calling 800-TAX-FORM (800-829-3676)).

NOTE TO EDITOR: Below are helpful resources on IRS.gov.

[IRS Summertime Tax Tip 2011-18, August 15, 2011](#)

YouTube Videos:

- Education Credits (Parents): [English](#) | [Spanish](#) | [ASL](#)
- Education Credits (Students): [English](#)