

**INTERNAL REVENUE SERVICE**

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██████████:

This letter is in response to an e-mail dated December 11, 2001, received by Commissioner Rossotti from ██████████. ██████████ expresses concern about the usefulness of filing the information reporting return Form 1098-T, Tuition Payment Statement. Specifically, ██████████ questions the need for colleges and universities to file Form 1098-T, when the return contains no information other than names, addresses, and the taxpayer identification numbers. ██████████ asked that we respond directly to you.

Section 6050S of the Internal Revenue Code, in general, requires eligible educational institutions who receive payments of qualified tuition and related expenses to file information returns and to furnish written information statements to assist taxpayers and the Internal Revenue Service ("IRS") in determining any education tax credit allowable under section 25A (as well as other tax benefits for higher education expenses). See H.R. Conf. Rept. No. 599, 105<sup>th</sup> Cong., 2d Sess., pp. 319-320.

Although no dollar amounts are currently required on Form 1098, the IRS does receive verification of a student's enrollment at an eligible educational institution. In addition, the current Form 1098-T requires eligible educational institutions to indicate whether the student was enrolled at least half-time and whether the student was enrolled in a graduate program. This information helps to verify whether the student is eligible for the Hope Scholarship Credit.

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The IRS is in the process of issuing further regulations under section 6050S and expects to issue this guidance in the near future. If you have any questions concerning this letter, please call [REDACTED].

Sincerely,

James C. Gibbons  
Chief, Branch 1  
Administrative Provision & Judicial Practice