



# VITA/TCE Volunteer Tax Alert (VTA)

*Thank you for volunteering and for your dedication to top QUALITY service!*

<b>VTA Number</b>	VTA-2017-01
<b>Date Issued</b>	February 17, 2017
<b>Purpose</b>	Notify volunteers when a taxpayer filing a tax return for tax year 2016 may claim education benefits without a Form 1098-T.
<b>Tax Law Change</b>	<p>Beginning with tax year 2016, most students must receive a Form 1098-T to claim an education benefit. This requirement applies to the tuition and fees deduction, the American opportunity credit, and the lifetime learning credit. For tax year 2016 an eligible educational institution is not required to provide a Form 1098-T in certain circumstances:</p> <ol style="list-style-type: none"><li>1. Nonresident alien students, unless the student requests the institution to file Form 1098-T,</li><li>2. Students whose tuition and related expenses are entirely waived or paid entirely with scholarships or grants, or</li><li>3. Students for whom the institution does not maintain a separate financial account and whose qualified tuition and related expenses are covered by a formal billing arrangement with the student's employer or a government agency, such as the Department of Veterans Affairs or the Department of Defense.</li></ol> <p>If no Form 1098-T was issued because the school was not required to provide one , the taxpayer can still claim an education benefit if:</p> <ul style="list-style-type: none"><li>• The taxpayer otherwise qualifies to claim the benefit,</li><li>• The taxpayers can demonstrate enrollment in an eligible educational institution, and</li><li>• The taxpayer can substantiate the payment of qualified tuition and related expenses. Taxpayers should keep records that demonstrate enrollment and show that they paid qualified tuition and related expenses in case the IRS requests substantiation.</li></ul>
<b>Message to Volunteers</b>	Please review this information before preparing returns for taxpayers. VITA/TCE sites can prepare affected returns as long as the return is within scope for the VITA/TCE programs. In addition, volunteer preparers and quality reviewers must meet the certification level(s) required to prepare the tax return.
<b>Resources</b>	<a href="https://www.irs.gov/individuals/education-credits-questions-and-answers">https://www.irs.gov/individuals/education-credits-questions-and-answers</a>

*For additional questions, please talk to your site coordinator, partner, or IRS SPEC relationship manager.*