

What is a 1098-T?

The 1098-T form is informational only and should not be considered as tax advice. It serves to alert students that they may be eligible for federal income tax education credits such as the Lifetime Learning Credit and the American Opportunity Credit as part of their Federal Income Tax Return. IRS Publication 970, "Tax Benefits for Higher Education," as well as Chapter 35 of IRS Publication 17, provide additional information on these credits. While it is a good starting point, the 1098-T, as designed and regulated by the IRS, does not contain all of the information needed to claim a tax credit. To determine the amount of qualified tuition and fees paid, and the amount of scholarships and grants received, a taxpayer should use their own financial records. There is no IRS requirement that you must claim the tuition and fees deduction or an education credit. Claiming education tax benefits is a voluntary decision for those who may qualify. A 1098-T is used in calculating a student's eligibility for the American Opportunity Credit and Lifetime Learning Credit. Please refer to your tax advisor or financial advisor for inquiries – we cannot supply tax advice.

What information is provided on the 1098-T?

The CCSNH reports on Box 2, Amounts Billed for Qualified Tuition and Related Expenses, and Box 5, Scholarships and Grants, as well as Boxes 4 and 6, Adjustments for Prior Years. If the scholarships and grants total more than the eligible charges, a 1098-T will not be processed, as there will be no tax credit to claim. In addition, if a student's tuition is fully paid by a Third Party, then a 1098-T will not be processed. Non-credit tuition, housing and meal plans are not qualified expenses.

Why aren't all my payments showing on my 1098-T?

The CCSNH reports on charges billed on a student's account within that calendar year, for terms in that calendar year, and the term commencing within the first 3 months of the following calendar year. If a student registers for the Spring Term prior to December 31st of that year, then the charges will appear on the current year's 1098-T. The same will be for any charge or payment on the student's account.

How do I get the 1098-T?

The CCSNH contracts with ECSI to process our 1098-T forms. As required by Federal Regulation, the 1098-T will be mailed no later than January 31 of each year.

Why didn't I receive a 1098-T?

There are a few reasons why you might not have received a 1098-T:

- Your grants/ scholarships are equal to or greater than your charges. In this case you will **not** be eligible for the tax credit and a form will not be mailed to you.
- We do not have a current address on file for you.

What if I don't receive a 1098-T in the mail?

You can view and print your 1098-T information from your online SIS account at sis.lrcc.edu. Go to Students, Student Records, Click on Tax Notification and put in tax year 2011. If you didn't receive a 1098-T in the mail and you feel that you should have, please check with the Business Office to be sure we have your current address on file.

LRCC cannot give any tax advice, instruction, or suggestions of any kind. What we can do is answer any questions you may have as to the charges and payments on your account. Please refer your specific tax questions to your financial or tax advisor, or view the applicable regulations on the IRS website at www.irs.gov.

2011 IRS Instructions for Forms 1098-E and 1098-T

The information provided below is from the IRS.gov website

<input type="checkbox"/> CORRECTED		OMB No. 1545-1574		2011	Tuition Statement
FILER'S name, street address, city, state, ZIP code, and telephone number		1 Payments received for qualified tuition and related expenses			
FILER'S federal identification no.		STUDENT'S social security number		3 If this box is checked, your educational institution has changed its reporting method for 2011 <input type="checkbox"/>	
STUDENT'S name		4 Adjustments made for a prior year		5 Scholarships or grants	
Street address (including apt. no.)		6 Adjustments to scholarships or grants for a prior year		7 Check if the amount in box 1 or 2 includes amounts for an academic period beginning January - March 2012 <input type="checkbox"/>	
City, state, and ZIP code		8 Check if at least half-time student <input type="checkbox"/>		9 Check if a graduate student <input type="checkbox"/>	
Service Provider/Acct. No. (see instr.)		10 Ins. contract reimb./refund		10 Ins. contract reimb./refund	
Form 1098-T		(keep for your records)		Department of the Treasury - Internal Revenue Service	

**Copy B
For Student**

This is important tax information and is being furnished to the Internal Revenue Service.

Instructions for Student

An eligible educational institution, such as a college or university in which you are enrolled, and an insurer who makes reimbursements or refunds of qualified tuition and related expenses to you must furnish this statement to you. You, or the person who can claim you as a dependent, may be able to claim an education credit on Form 1040 or 1040A for the qualified tuition and related expenses that were actually paid in 2011. To see if you qualify for the credit, see Pub. 970, Tax Benefits for Education; Form 8863, Education Credits; and the Form 1040 or 1040A instructions.

Institutions may report either payments received in box 1 or amounts billed in box 2. The amount shown in box 1 or 2 may represent an amount other than the amount actually paid in 2011. Your institution must include its name, address, and information contact telephone number on this statement. It may also include contact information for a service provider. Although the service provider may be able to answer certain questions about the statement, do not contact them or the filer for explanations of the requirements for (and how to figure) any education credit that you may claim.

Account number. May show an account or other unique number the filer assigned to distinguish your account.

Box 1. Shows the total payments received from any source for qualified tuition and related expenses less any related reimbursements or refunds.

Box 2. Shows the total amounts billed for qualified tuition and related expenses less any related reductions in charges.

Box 3. Shows whether your institution changed its method of reporting for 2011. It has changed its method of reporting if the method (payments received or amounts billed) used for 2011 is different than the reporting method used for 2010. You should be aware of this change in figuring your education credits. The credits are allowable only for amounts actually paid during the year and not amounts reported as billed, but not paid, during the year.

Box 4. Shows any adjustment made for a prior year for qualified tuition and related expenses that were reported on a prior year Form 1098-T. This amount may reduce any allowable education credit that you claimed for the prior year. See "recapture" in the index to Pub. 970 to report a reduction in your education credit or tuition and fees deduction.

Box 5. Shows the total of all scholarships or grants administered and processed by the eligible educational institution. The amount of scholarships or grants for the calendar year (including those not reported by the institution) may reduce the amount of the education credit you claim for the year.

Box 6. Shows adjustments to scholarships or grants for a prior year. This amount may affect the amount of any allowable tuition and fees deduction or education credit that you claimed for the prior year. You may have to file an amended income tax return (Form 1040X) for the prior year.

Box 7. Shows whether the amount in box 1 or 2 includes amounts for an academic period beginning January-March 2012. See Pub. 970 for how to report these amounts.

Box 8. Shows whether you are considered to be carrying at least one-half the normal full-time workload for your course of study at the reporting institution. If you are at least a half-time student for at least one academic period that begins during the year, you meet one of the requirements for the American Opportunity credit. You do not have to meet the workload requirement to qualify for the lifetime learning credit.

Box 9. Shows whether you are considered to be enrolled in a program leading to a graduate degree, graduate-level certificate, or other recognized graduate-level educational credential.

Box 10. Shows the total amount of reimbursements or refunds of qualified tuition and related expenses made by an insurer. The amount of reimbursements or refunds for the calendar year may reduce the amount of any education credit you can claim for the year.

Instructions for Filer

General and specific form instructions are provided as separate products. The products you should use to complete Form 1098-T are the 2011 General Instructions for Certain Information Returns and the 2011 Instructions for Forms 1098-E and 1098-T. A chart in the general instructions gives a quick guide to which form must be filed to report a particular payment. To order these instructions and additional forms, visit IRS.gov or call 1-800-TAX-FORM (1-800-829-3676).

Caution: Because paper forms are scanned during processing, you cannot file with the IRS Forms 1096, 1097, 1098, 1099, 3921, 3922, or 5498 that you download and print from the IRS website.

Due dates. Furnish Copy B of this form to the student by January 31, 2012. For information on furnishing Form

File Copy A of this form with the IRS by February 28, 2012. If you file electronically, the due date is April 2, 2012. To file electronically, you must have software that generates a file according to the specifications in Pub. 1220, Specifications for Filing Forms 1097, 1098, 1099, 3921, 3922, 5498, 8935, and W-2G Electronically. IRS does not provide a fill-in form option.

Need help? If you have questions about reporting on Form 1098-T, call the information reporting customer service site toll free at 1-866-455-7438 or 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-579-4827 (not toll free). The hours of operation are Monday through Friday from 8:30 a.m. to 4:30 p.m., Eastern time.