

FAQS about Form 1098-T

What is a Form 1098-T?

Colleges and universities are required under Internal Revenue Code Section 6050S to issue a Form 1098-T for the purpose of determining a student's eligibility for claiming Educational Tax Credits on your Federal Income Tax returns.

Does every student get a Form 1098-T?

Bay State College must file a Form 1098-T for each student enrolled for the calendar year and for whom a reportable transaction is made.

Who is eligible for the tax credit?

The student, if not considered a dependent for income tax purposes, is eligible to claim the credit. If the student had tuitions and fees paid by the parents, then the parents can claim the credit providing income for the year is within IRS guidelines.

What are the amounts reported on Form 1098-T?

An institution may choose to report either payment received (box1) or amounts billed (box2), for qualified education expenses. Bay State College reports amounts billed in box 2 according to Regulation section 1.6050S-1(b)(2)(ii)(B). In addition, your Form 1098-T will give you other information such as adjustments made for prior years, scholarships or grants and whether you were enrolled at least half- time.

Box 1 amount paid are not reported by Bay State College.

Box 2 represents amounts billed for qualified tuition and related expenses.

Box 4 represents reductions made to amounts billed for qualified tuition and related expenses that were reported for a prior calendar year.

Box 5 represents the total amount of scholarships or grants that were processed for the payment of qualified tuition and related expenses.

Box 6 represents the amount of reductions or refunds made for scholarships or grants that were reported for a prior calendar year.

Box 8 is only checked if you have been at least a half-time student (6 credits) for at least one academic period that began during the calendar year.

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 claiming the Education Tax Credits on your Federal Income Tax returns. To determine the amounts **paid**, 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. Bay State College recommends that you consult a professional tax accountant for advice and consultation of your use of the 1098T form.