

IRS FORM 1098-T – FREQUENTLY ASKED QUESTIONS

KELLOGG COMMUNITY COLLEGE DOES NOT EMPLOY PROFESSIONAL TAX ADVISORS AND CANNOT OFFER TAX ASSISTANCE OR ADVICE TO OUR STUDENTS. INFORMATION PRESENTED WITHIN THIS DOCUMENT IS MEANT TO PROVIDE GENERAL GUIDANCE BASED UPON FREQUENTLY ASKED QUESTIONS REGARDING THE FORM 1098-T. KCC IS NOT LIABLE FOR THE USE OR INTERPRETATION OF THIS INFORMATION FOR IRS PURPOSES AND STRONGLY RECOMMENDS THAT INDIVIDUALS CONSULT WITH A PROFESSIONAL TAX PREPARER FOR ANSWERS REGARDING THEIR SPECIFIC SITUATION.

WHY DID I RECEIVE THIS FORM / I NEVER ATTENDED KCC?

- The IRS offers educational tax credits to individuals to help offset the financial burden of self-paying for College classes with either cash, checks, credit/debit cards or borrowed funds (loans).
- KCC is required to send 1098-T Tuition Statement forms to each student who registers for classes throughout the calendar year. The 1098-T form is used to verify enrollment and report to the IRS all qualified tuition and related expenses billed by the College as well as report all scholarship and grant funds received by the student during the calendar year.
- Course registration includes traditional, on-site classes as well as internet, company sponsored and lifetime learning classes. On the job training seminars sponsored by an employer and administered by KCC personnel are considered enrollment at the College under the IRS definition.

WHAT DO I DO WITH THIS FORM?

- Receipt of the form does not mean you qualify for an educational tax credit – it simply means you were enrolled in a College course at some point during the calendar year.
- The form 1098-T is informational only and does not need to be submitted with your tax forms.

HOW DO I CLAIM THE TAX CREDITS?

- Complete IRS Form 8863 – Education Credits and attach to either the IRS Form 1040 or IRS Form 1040A in order to claim the credit
- To see if you are eligible to claim an educational tax credit, please see Publication 970, Tax Benefits for Education; Form 8863, Education Credits; and the Form 1040 or 1040A instructions.

WHAT AMOUNTS DO I USE TO CALCULATE THE POTENTIAL CREDIT?

- The credits are based on the amount of adjusted qualified education expenses PAID by the student during the calendar year with either cash, checks, credit/debit cards or borrowed funds (loans).
- Adjusted qualified education expenses = tuition and fees required for attendance minus any tax-free scholarship or grant funds received during the calendar year.
- The 1098-T form information as reported may be different than the amount you actually paid out-of-pocket. Use only the amounts you actually paid during the calendar year when completing Form 8863.

I BELIEVE MY FORM IS INCORRECT / MY FORM IS BLANK

- KCC opens registration for Spring courses during the calendar year prior to the class start date. Spring courses registered for during the months of October-December will be reported on a prior year form in box 7.
- Financial aid is transmitted during January/February for the Spring semester. Because this is a calendar year form – the tuition charges related to these scholarships may be included on the previous year’s 1098-T form if registration was completed during the months of October-December.
- If no billable activity relating to financial aid scholarship/grant payments or registration charges were posted to your student account during the calendar year, the 1098-T form will be generated to show your enrollment status but all transaction activity will be zero.

HOW DO I FIND MY OUT OF POCKET PAYMENTS?

- A Statement of Account can be provided upon request to help you determine your payments made during the calendar year. A Statement of Account can be picked up from any KCC registration site, printed off the web portal through the Account Activity link or by calling 965-3931 ext. 4140.

ARE MY SCHOLARSHIPS TAXABLE?

- Generally, whether the amount is tax free or taxable depends on the expense paid with the amount and whether you are a degree candidate. Please see IRS Publication 970 at www.irs.gov for complete guidelines.

HOW CAN I GET A REPLACEMENT FORM?

- The 1098-T forms are available for printing through the KCC web portal or by contacting ECSI at 866-428-1098.

WHERE DO I GET HELP WHEN USING TURBO TAX?

- Contact Customer Support through Turbo Tax – they have tax professionals on staff to help assist clients when questions arise. KCC cannot provide tax advice or assistance to our students.

WHERE DO I FIND MORE INFORMATION?

- www.irs.gov – forms and publications – Form 8863 & Instructions for Form 8863
- www.irs.gov – forms and publications – Publication 970 – Tax Benefits for Education
- www.ecsi.net/taxinfo.html

UNDERSTANDING THE IRS 1098-T FORM

CORRECTED

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		1 Payments received for qualified tuition and related expenses \$ _____ 2 _____	OMB No. 1545-1574 <div style="font-size: 2em; font-weight: bold; text-align: center;">2022</div> Form 1098-T	Tuition Statement
FILER'S employer identification no.	STUDENT'S TIN	3 _____		Copy B For Student This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.
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 Checked if the amount in box 1 includes amounts for an academic period beginning January–March 2023 <input type="checkbox"/>	
City or town, state or province, country, and ZIP or foreign postal code		8 Checked if at least half-time student <input type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>	
Service Provider/Acct. No. (see instr.)	10 Ins. contract reimb./refund \$ _____			

Form **1098-T** (keep for your records) www.irs.gov/Form1098T Department of the Treasury - Internal Revenue Service

- BOX 1** – Payments received during the calendar year for qualified tuition and related expenses less any reimbursements or refunds. A Statement of Account can be provided upon request to help you determine your payments made to KCC during the calendar year. Statements of Account can be picked up at any KCC registration site, printed off of the web portal through the Account Activity link or by calling 965-3931 ext. 4140.
- BOX 2** – This box is currently not in use by the IRS.
- BOX 4** – Tuition and fee charges reported on a previous year 1098-T form but adjusted during the current calendar year. Example – courses registered for during the one calendar year and then dropped/re-added during the next calendar year.
- BOX 5** – Scholarship and grant money paid to the student account during the calendar year. This includes all Federal grant dollars, institution and high school scholarships and outside scholarship and company payments.
- BOX 6** – Scholarship and grant money reported on a previous year form 1098-T but adjusted during the current calendar year. Example – loss of eligibility for Federal grant program dollars due to a change in course schedule.
- BOX 7** – Box will be checked if student registered for spring courses and was billed for the courses in the current calendar year but the classes actually start in the first 3 months of the next calendar year.
- BOX 8** – Checked if a student is enrolled for 6 credit hours or more for any reportable semester during the calendar year.
- BOX 9** – KCC does not offer any graduate level courses – this box will never be checked.