

FEDERAL TAX INFORMATION

One of the Higher Education Opportunity Act's (HEOA) required disclosures is to share federal tax educational credit information with our students. The Taxpayer Relief Act of 1997 created several new tax benefits for families to assist with college expenses. BOCES provides this information to our students and reminds them of these benefits and encourages the tax filer to consult a qualified tax adviser, the Internal Revenue Service (IRS) website www.irs.gov or by calling 800.829.1040. The IRS publication 970 "Tax Benefits for Education" an informational overview of these higher education tax incentives, available online, is also a helpful tool.

IRS.GOV

Topic 457 - Tuition And Fees Deduction

You may be able to deduct qualified tuition and related expenses that you pay for yourself, your spouse, or a dependent, as a tuition and fees deduction. To determine whether your expenses are qualified, refer to *Publication 970, Tax Benefits for Education*. You do not have to itemize to take this deduction. You can claim qualified tuition and fees as either (1) a tuition and fees deduction; (2) a Hope or Lifetime Learning credit, or (3) if applicable, a business expense. You do not have to itemize to claim qualified tuition and fees unless you claim them as a business expense. If you claim qualified tuition and fees as a tuition and fees deduction, the deduction is taken as an adjustment to income on Form 1040 or Form 1040A.

You cannot take the tuition and fees deduction on your income tax return if your filing status is married filing separately, or if you may be claimed as a dependent on someone else's return. The deduction is reduced or eliminated if your modified adjusted gross income exceeds certain limits, that depend on your filing status. You cannot claim the tuition and fees deduction and a Hope or Lifetime Learning credit for the same student. If the educational expenses are also allowable as a business expense, the tuition and fees deduction may be claimed in conjunction with a business expense deduction, but the same expenses cannot be deducted twice.

You cannot claim a deduction or credit based on expenses paid with tax-free scholarship, fellowship, grant, or education savings account funds such as a Coverdell education savings account, tax-free savings bond interest or employer-provided education assistance. The same rule applies to expenses you pay with a tax-exempt distribution from a qualified tuition plan, except that you can deduct qualified expenses you pay only with that part of the distribution that is a return of your contribution to the plan.