

## **1098-T Frequently Asked Questions**

### **What is a 1098-T?**

Form 1098-T is a “tuition statement” that eligible educational institutions are required to provide to enrolled students who have reportable transactions. Information reported on Form 1098-T can assist taxpayers in determining their eligibility for education tax credits. Receiving a 1098-T form does not necessarily mean you are eligible for an education tax credit. To determine your eligibility, contact your tax advisor or [visit the IRS website](#).

### **Reasons you may not receive a 1098-T**

Not all students will receive Form 1098-T. There are certain exceptions that allow schools not to issue a 1098-T. Some possible reasons you did not receive a 1098-T:

- Courses for which no academic credit is offered (i.e. a course taken as an audit).
- Non-resident alien students. A non-resident alien is a foreign national or non-U.S. citizen who has not passed the green card test or the substantial presence test. (Note: An institution must furnish a 1098-T to non-resident alien students who specifically request the form.)
- Students whose qualified tuition and related expenses are entirely waived or paid entirely with scholarships.
- Students whose qualified tuition and related expenses are covered by a formal billing arrangement between an institution and the student's employer or a government entity, such as the Department of Veterans Affairs or the Department of Defense.

### **I believe that I am eligible for a 1098-T but did not receive it in the mail. How do I get a copy?**

If you elected for e-consent, you may view your 1098-T through [My Salve](#) in the “Tax Information” section. If consent has not been given, contact the Bursar’s Office at (401) 341-2900 or [bursaroffice@salve.edu](mailto:bursaroffice@salve.edu) to request a replacement mailed copy.

### **What information is reported on the 1098-T?**

- Box 1 - indicates any payment made by the student and received by the educational institution for qualified tuition and related expenses.
- Box 4 - indicates any reductions to eligible expenses reported for any prior year.
- Box 5 - indicates the amount of scholarships and grants processed for the calendar year. Scholarships and grants generally include all payments received from third parties (excluding loans and family members).
- Box 6 - indicates any reduction amount to scholarships or grants reported for any prior year.

- Box 7 - if checked, this indicates any payments received for qualified tuition and related expenses reported for the previous year related to an academic period that begins in January through March.
- Box 8 - if checked, this indicates the student was at least half-time or greater for at least one academic period during the tax year.
- Box 9 - if checked, this indicates the student was a graduate student for at least one academic period of the tax year.
- Box 10 - indicates the amount of any insurance contract reimbursement or refund.

### **I believe information on my 1098-T is incorrect. How do I have it corrected?**

Please contact the Bursar's Office at (401) 341-2900 or [bursaroffice@salve.edu](mailto:bursaroffice@salve.edu) for review. If necessary, a corrected 1098T can be issued.

### **What are the education credits?**

The American Opportunity Tax Credit (AOTC) and Lifetime Learning Credit (LLC) are the two education credits currently available to taxpayers who meet certain income limits and other eligibility criteria.

The AOTC is available for degree-seeking students who have not completed their first four years of higher education. The student must have an enrollment status of at least half time or greater in at least one academic period during the tax year. On Form 1098-T, schools will check box 8 to indicate a student was determined to be at least half time during the tax year. A portion of the AOTC is refundable. For the latest information, [visit the IRS website](#).

The LLC is available to all students enrolled at an eligible educational institution. The credit is open to undergraduate, graduate and students enrolled in professional degree courses. There is no limit to how many years this credit can be claimed, and you are not required to be enrolled as half time or greater. The LLC can offset any tax that you may owe, but you will not receive a refund. (This credit will not apply if the taxpayer is already receiving a refund, however if a taxpayer owes money, it can help reduce the amount a taxpayer may owe.) For the latest information, [visit the IRS website](#).

### **What expenses are considered qualified for the education credits?**

For the AOTC, qualified education expenses are tuition and certain related expenses required for enrollment or attendance at an eligible educational institution. Expenses that do not qualify include room and board, transportation, insurance, sports, games and non-credit courses.

For the LLC, qualified expenses include fees for a course that was part of a post-secondary degree program or to improve job skills. Fees related to books, supplies, equipment and student activity fees are only qualified if they must be paid to the institution for enrollment.

For more information, see [IRS Publication 970](#).

### **How do I claim an education credit?**

The law requires a taxpayer to have received a 1098-T form to be eligible for the education tax credits. To claim an education tax credit, the eligible taxpayer will need to use [IRS Form 8863](#) and submit it along with Form 1040.

### **What if I still have questions about the 1098-T form and the education credits?**

See [IRS Publication 970](#) as a reference guide for information regarding rules and definitions related to the education credits.

### **What does it mean to electronically consent to receive my 1098-T?**

If you decide to agree and grant consent, you will not be mailed a 1098-T. The form will be available to you online and you will be able to view/print a copy of your Form 1098-T once it is made available for a given tax year. Your consent will remain in effect for any subsequent tax years unless you decide to withdraw your consent. You may withdraw consent at any time by selecting the withdraw consent option after logging in to the website. To avoid receiving a mailed form, you need to consent before Salve releases your form for that tax year. Forms are typically released by Jan. 31 each year.