



## 1098-T FAQs

### **When can I expect my 1098-T to arrive?**

The IRS tax laws state that all tax documents must be mailed by January 31<sup>st</sup>. ECSI has until January 31<sup>st</sup> to send out all 1098 tax documents.

### **What's a 1098-T?**

In accordance with the Taxpayer Relief Act of 1997 (TRA97), a 1098-T is a required IRS Tax form that each institution must provide to its Student/Taxpayers.

### **Why did I get this form?**

Your school is required to send you this form so that you can use it to determine if you are eligible and what dollar amount you can claim for either the American Opportunity Credit or Lifetime Learning tax Credits.

### **What is it used for?**

The information on the 1098-T form is provided to assist each Student/Taxpayer in preparing the IRS FORM 8863 – which is used to claim the American Opportunity or Lifetime Learning Credits. Once complete, the 8863 should be attached to the Student/Taxpayers return to determine eligibility and the amount of the Education credit (if any) that he/she may be entitled to on their Individual Income Tax Return.

### **What is the American Opportunity Credit?**

There is still time left to take advantage of the American Opportunity Tax Credit, a credit that will help many parents and college students offset the cost of college. This tax credit is part of the American Recovery and Reinvestment Act of 2009 and is available through December 31, 2010. It can be claimed by eligible taxpayers for college expenses paid in 2009 and 2010. There are six important facts the IRS wants you to know about the American Opportunity Tax Credit:

1. This credit, which expands and renames the existing Hope Credit, can be claimed for qualified tuition and related expenses that you pay for higher education in 2009 and 2010. Qualified tuition and related expenses include tuition, related fees, books and other required course materials.

2. The credit is equal to 100 percent of the first \$2,000 spent per student each year and 25 percent of the next \$2,000. Therefore, the full \$2,500 credit may be available to a taxpayer who pays \$4,000 or more in qualifying expenses for an eligible student.
3. The full credit is generally available to eligible taxpayers who make less than \$80,000 or \$160,000 for married couples filing a joint return. The credit is gradually reduced, however, for taxpayers with incomes above these levels.
4. Forty percent of the credit is refundable, so even those who owe no tax can get up to \$1,000 of the credit for each eligible student as cash back.
5. The credit can be claimed for qualified expenses paid for any of the first four years of post-secondary education.
6. You cannot claim the tuition and fees tax deduction in the same year that you claim the American Opportunity Tax Credit or the Lifetime Learning Credit. You must choose to either take the credit or the deduction and should consider which is more beneficial for you.

Complete details on the American Opportunity Tax Credit and other key tax provisions of the Recovery Act are available at [IRS.gov/recovery](http://IRS.gov/recovery).

### **What is the Lifetime Learning Credit?**

The lifetime learning credit helps parents and students pay for post-secondary education. For the tax year, you may be able to claim a lifetime learning credit of up to \$2,000 (\$4,000 for students in Midwestern disaster areas) for qualified education expenses paid for all students enrolled in eligible educational institutions. There is no limit on the number of years the lifetime learning credit can be claimed for each student. However, a taxpayer cannot claim both the Hope or American opportunity credit and lifetime learning credits for the same student in one year. Thus, the lifetime learning credit may be particularly helpful to graduate students, students who are only taking one course and those who are not pursuing a degree.

Generally, you can claim the Hope credit if all three of the following requirements are met:

- You pay qualified education expenses of higher education.
- You pay the education expenses for an eligible student.
- The eligible student is either yourself, your spouse or a dependent for whom you claim an exemption on your tax return

If you're eligible to claim the lifetime learning credit and are also eligible to claim the Hope or American opportunity credit for the same student in the same year, you can choose to claim either credit, but not both. If you pay qualified education expenses for more than one student in the same year, you can choose to take credits on a per-student, per-year basis. This means that, for example, you can claim the Hope or American opportunity credit for one student and the lifetime learning credit for another student in the same year.

### **Do I have to use the 1098t?**

No, if you are not paying taxes or your income is too high to qualify, you do not have to do anything with this form. If you think you received it in error, please disregard it.

### **What if my SSN is incorrect on the form?**

The only reason ECSI needs a correct SSN on the tax form is to report the correct information to the IRS. If you are not going to claim the credit, then it is not necessary to correct the SSN. However, if you are going to claim the credit, you must fill out form W9S. This can be found on the ECSI website ([www.ecsi.net/1098t](http://www.ecsi.net/1098t).) After completing it, mail the form to 181 Montour Run Road, Coraopolis, PA 15108 or you can fax it to 1-866-291-5384. Please be sure to include your email address on the form. By providing your email address, ECSI will be able to notify you via email that your new form is available. You will also receive a new login for your website account.

### **Where can I find a W9S form?**

Go to [www.ecsi.net/1098t](http://www.ecsi.net/1098t). Scroll to where it states “Is the Social Security Number on your 1098-T form incorrect? Fill out a [W-9S Form](#) to correct it.”

### **Can the school or ECSI give me tax advice?**

It’s important to note: Neither the school nor ECSI can provide individual income tax advice. If you have any 1098-T Tax-Related questions regarding the tax credit, eligibility, reporting your tax credit on your tax return, etc, please contact a tax professional or the IRS. A link to the IRS’s website can be found at the bottom on the [www.ecsi.net/1098t](http://www.ecsi.net/1098t) page.

### **I didn’t get a 1098-T. Can you mail me one?**

ECSI does not resend any tax documents in the mail. Please visit [www.ecsi.net/1098t](http://www.ecsi.net/1098t) and login to your account to retrieve your 1098t.

### **What information do I need to login to my account and retrieve my 1098t?**

School Code, SSN and PIN.

### **How can I get my login information if I do not know it?**

Open a browser and type [www.ecsi.net/1098t](http://www.ecsi.net/1098t). Click on “LOG IN” Click on “**Need Help Logging in?**” (This is option is in blue just above the Log in button.) Enter all the information requested. Your login credentials will appear after you click submit. **\*\*Please note that the zip code entered must match the one on file that the school sent ECSI.\*\***

**What do I need to know if I feel the amounts on my 1098T form are wrong?**

First, check to see if there is a 2009 form, look on that form, if Box 7 was checked on the 2009 form, then the tuition for spring 2010 is on that form and is not included on the 2010 form.

Second, check the 2010 form, if Box 7 is checked then it is including amounts for the academic period starting Jan - March 2011.

Third, this form is for qualified tuition and related expenses only, room and board will NOT be included.

Fourth, if your scholarships are not reflected, check to see if box 2 and 7 are checked. Some schools will bill for spring 2011 in fall 2010 but will not add scholarships to the student account until spring 2011. Therefore, those scholarships will be on next year's form.

Fifth, have there been any changes to your class schedule. If box 2 and box 7 are checked for spring 2011, and a class is added after the bill was sent, that change will be reflected on next year's 2011 form.

