

Are you or a family member attending college or taking courses to acquire or improve job skills?

Tax credits could help with the cost.

What are the education tax credits?

Two important tax credits can help students and their families with the cost of college or other postsecondary education courses.

- 1. The <u>American Opportunity Tax Credit (AOTC)</u> can help with the cost of the first four years of college or another post-secondary degree or certificate program if the student attends at least half-time. The credit provides up to \$2,500 per student per year for up to four years, and up to \$1,000 per year may be refunded even if the person claiming the credit isn't required to file.
- 2. The <u>Lifetime Learning Credit (LLC)</u> can help with the cost of any level of post-secondary education or courses to acquire or improve job skills. The credit provides up to \$2,000 per return per year.

How do students or their families claim the credit?

Claim the credit on a federal tax return for the year in which the expenses were paid for you, your spouse or your dependent. Colleges generally issue Form 1098-T, Tuition Statement, to students which contains information needed to claim the credit. You can use the <u>Interactive Tax Assistant tool</u> on IRS.gov to see if the credit can be claimed.

For each student, only one of the credits can be claimed each tax year.

Students and their families should consider other important tax benefits, such as the credit for other dependents (ODC) and the Earned Income Tax Credit (EITC).

Where can students and their families get more information about valuable tax benefits for higher education?

Visit <u>Education Credits</u> on irs.gov to find everything you need to know.