

1098-T FAQs

What is a Form 1098-T?

- Colleges and universities are required under Internal Revenue Code Section 6050S to issue the Form 1098-T for the purpose of determining a tax payer's eligibility for various tax credits and/or deductions.
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Does every student get a Form 1098-T?

- Peninsula College must file a Form 1098-T for each student enrolled for the given calendar year and for whom a reportable transaction is made. However, the IRS does not require Peninsula College to provide a Form 1098-T for:
 - Courses for which no academic credit is offered, even if the student is otherwise enrolled in a degree program
 - Nonresident alien students (if you need one for filing purposes, contact Business Services at 360-417-6232 or BusinessServices@pencol.edu to request one.
 - Students whose qualified tuition and related expenses are entirely waived or paid entirely with scholarships and/or grants
 - Students whose expenses are covered by a formal 3rd party billing arrangement
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My 1098-T Information Login says I am “not eligible to receive a 1098-T form”. Why?

- Depending on your particular situation, Peninsula College may not be required to produce a Form 1098-T for you. See exceptions above.
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How do I get my Form?

- A student who is eligible to receive a 1098-T should receive one in the mail at the address provided. 1098-T forms are required to be mailed by January 31. To see if you are eligible to receive Form 1098-T:
 1. Log into the [1098-T Information Login](#).
 2. Enter your Student Identification Number (SID) and your Personal Identification Number (PIN).
 3. Click on View My 1098-T Data.
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What fees are qualifying for tax purposes?

- For purposes of the tuition and fees deduction, qualified education expenses are tuition and certain related expenses required for enrollment or attendance at an eligible educational institution. Housing, meal plan, orientation, Payment Plan and other miscellaneous fees are generally not qualifying expenses for tax purposes. Please reference IRS Publication 970 Tax Benefits for Education for additional guidance (link to IRS Publication & Forms database provided below). Peninsula College cannot legally provide tax advice. Please consult with a qualified tax preparer or the IRS if you have tax-related questions.
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What amounts are reported on Form 1098-T?

- Box 1. Shows the total payments received in 2016 from any source for qualified tuition and related expenses less any related reimbursements or refunds made during 2016 that related to those payments received during 2016.
 - Box 2. Shows the total amounts billed in 2016 for qualified tuition and related expenses less any related reductions in charges made during 2016 that relate to those amounts billed during 2016. [Box 2 is always blank on our form as Peninsula College reports amounts in Box 1].
 - Box 3. Shows whether your institution changed its method of reporting for 2016. [Peninsula College did not change our method of reporting]
 - Box 4. Shows any adjustment made for a prior year for qualified tuition and related expenses that were reported on a prior year Form 1098-T. This amount may reduce any allowable education credit that you claimed for the prior year (may result in an increase in tax liability for the year of the refund). See “recapture” in the index to Pub. 970 to report a reduction in your education credit or tuition and fees deduction.
 - Box 5. Represents the total amount of scholarships, grants or 3rd Party Sponsor Credits that were processed for the payment of qualified tuition and related expenses.
 - Box 6. Represents the amount of reductions or refunds made for scholarships or grants that were reported for a prior year.
 - Box 8. Is only checked if you have been at least a half-time student (6 credit hours) for a least one academic period that began during the calendar year.
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What are the instructions for the Form?

- To help you figure your education credit, you should receive Form 1098-T.

Generally, an eligible educational institution must send Form 1098-T to each enrolled student postmarked by January 31. An institution may choose to report either payments received (box 1), or amounts billed (box 2), for qualified education expenses.

Peninsula College reports payments received in box 1 according to Regulation section 1.6050S-1(b)(2)(ii)(C).

Did you send a copy of this form to the IRS?

- Yes. Section 6050S of the Internal Revenue Code, as enacted by the Taxpayer Relief Act of 1997, requires institutions to file information returns to assist taxpayers and the Internal Revenue Service in determining eligibility for the American Opportunity and Lifetime Learning education tax credits. The annual deadline to file the required tax information electronically is March 31, although data may be transmitted earlier.
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What am I supposed to do with the 1098-T form?

- Keep it for your personal records and share it with your tax preparer; Peninsula College sends your 1098-T information to the IRS. The information contained in the 1098-T will help you to determine if you may claim various tax credits and/or deductions for qualified educational expenses. Please be aware that the 1098-T captures financial information on a calendar year basis (January 1 –December 31) and you will likely need your statements of account (also available from your [1098-T Statement \(2016\)](#) and other personal receipts (e.g. books & supplies) to calculate your tax credits and deductions.
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Additional Resources

- IRS Publication & Forms: www.irs.gov/Forms-&-Pubs
- Form 8863 Instructions for Education Credits: www.irs.gov/uac/about-form-8863
- Form 1040 Instructions: www.irs.gov/pub/irs-pdf/i1040.pdf
- IRS Information on American Opportunity Credit:
www.irs.gov/publications/p970/ch02.html#en_US_publink1000204381
- IRS Information at Lifetime Learning Credit: www.irs.gov/publications/p970/ch03.html

1098T Frequently Asked Questions

Tax Benefits for Education - 1098-T

As required by the Internal Revenue Service (IRS), Form 1098-T is mailed by Jan. 31 to all students who had qualified tuition and other related educational expenses billed to them during the previous calendar year.

The 1098-T form is informational only and should not be considered as tax advice. It serves to alert students that they may be eligible for federal income tax education credits such as the Lifetime Learning Credit and the Hope Credit as part of their Federal Income Tax Return. IRS Publication 970 "Tax Benefits for Higher Education" as well as Chapter 35 of IRS Publication 17 provide additional information on these credits. While it is a good starting point, the 1098-T, as designed and regulated by the IRS, does not contain all of the information needed to claim a tax credit. *To determine the amount of qualified tuition and fees **paid**, and the amount of scholarships and grants received, a taxpayer should use their own financial records.* There is no IRS requirement that you must claim the tuition and fees deduction or an education credit. Claiming education tax benefits is a voluntary decision for those who may qualify.