

## **Tax Savings from Higher Education Costs**

**Money you paid for higher education in 2015 can mean tax savings in 2016. If you, your spouse or your dependent took post-high school coursework last year, there may be a tax credit or deduction for you. Here are some facts from the IRS about key tax breaks for higher education.**

**The American Opportunity Credit (AOTC) is:**

- **Worth up to \$2,500 per eligible student.**
- **Used only for the first four years at an eligible college or vocational school.**
- **For students earning a degree or other recognized credential.**
- **For students going to school at least half-time for at least one academic period that started during or shortly after the tax year. Claimed on your tax return using Form 8863, Education Credits.**

**The Lifetime Learning Credit (LLC) is:**

- **Worth up to \$2,000 per tax return, per year, no matter how many students qualify.**
- **For all years of higher education, including classes for learning or improving job skills.**
- **Claimed on your tax return using Form 8863, Education Credits.**

**The Tuition and Fees Deduction is:**

- **Claimed as an adjustment to income.**
- **Claimed whether or not you itemize.**
- **Limited to tuition and certain related expenses required for enrollment or attendance at eligible schools.**
- **Worth up to \$4,000.**

**Additionally:**

- **You should receive Form 1098-T, Tuition Statement, from your school by Feb. 1, 2016. Your school also sends a copy to the IRS.**
- **You may only claim qualifying expenses paid in 2015.**
- **You can't claim either credit if someone else claims you as a dependent.**
- **You can't claim either AOTC or LLC and the Tuition and Fees Deduction for the same student or for the same expense, in the same year.**
- **Income limits could reduce the amount of credits or deductions you can claim.**
- **The Interactive Tax Assistant tool on IRS.gov can help you check your eligibility.**

**IRS Free File.** You can use IRS Free File to prepare and e-file your federal tax return for free. File Form 8863, Education Credits, with your Form 1040. Free File is only available at [IRS.gov/freefile](https://www.irs.gov/freefile).

Each and every taxpayer has a set of fundamental rights they should be aware of when dealing with the IRS. These are your Taxpayer Bill of Rights. Explore your rights and our obligations to protect them on [IRS.gov](https://www.irs.gov).

**REMEMBER WE HAR HERE TO HELP—GIVE US A CALL**