



Information and FAQs about IRS Form 1098-T

The Internal Revenue Service (IRS) Form 1098-T, *Tuition Statement*, is a statement of payments received by the University the Maine System (the University) from any source for qualified tuition and related expenses (QTRE). QTRE includes tuition charges as well as mandatory course fees such as lab fees, technology fees, and general fees. Room, board, and health insurance fees are not included in QTRE as determined by IRS regulations.

IRS regulations require that all eligible institutions receiving payments for QTRE must provide a 1098-T form to each of those students. The University must also file the same information with the IRS for these students.

The 1098-T is provided to help eligible taxpayers determine if they are eligible for various education tax benefits. An eligible taxpayer may be the student or, if the student is a dependent for federal income tax purposes, the person (e.g., parent or other person) claiming the student as a dependent.

Qualified expenditures are eligible for various tax benefits. For instance, the American Opportunity Tax Credit can be worth up to 100% of the first \$2,000 of qualified expenditures, plus 25% of the next \$2,000!

The University may not give tax advice. But, we can tell you where to find the necessary information you will need to help determine your eligible education tax benefits.

1. The credit is based on **payments** made to the University during the calendar year. However, amounts reported on the 1098-T will most likely be different than the amount you actually paid during the year. So, you will need to determine when you made your payments on your student account. To view your student account, login to [MaineStreet](#), select **Self-Service** > **Student Center** > under the **Finances** section, select the **Account Activity** link. On the **Account Activity** page, select the appropriate dates to determine your payments made during the tax year. Here you can view charges, payments and refunds for a specific timeframe. If you need help with this, you may contact your campus.
2. You will also need to know how much your payments were for QTRE for the calendar year. You may need to look at the box details on your prior year 1098-T for your Spring Term amounts. If you consent to receive your 1098-T electronically, you can see the details of the amounts in each box. For information about accessing your 1098-T forms online, go to **Accessing 1098-T Self Service** at: [University of Maine System 1098-T Information](#).

3. If you need help accessing your information, you may contact your campus for assistance.

UM – 207-581-1521
UMPI – 207-768-9545
UMF – 207-778-7100
UMA – 207-621-3131
UMM – 207-255-1312
UMFK – 207-834-7553
USM – 207-780-5123

NOTE: The reporting of tuition, fees, scholarships, grants and adjustments do not determine the tax benefit or taxability of these amounts being reported; it is the student's responsibility to determine the taxability of scholarships and grants or the tax credits available.

If you are unsure about your tax eligibility/responsibility or have any questions, you should consult with a qualified tax preparer or advisor. You may also consult IRS Publication 970, *Tax Benefits for Education*.

FAQs

Q1: What do the boxes on the 1098-T form represent?

A:1

Box 1 *Payments received for qualified tuition and related expenses:* includes the total amount of payments received for qualified tuition and related expenses (QTRE) from ALL sources during the calendar year. It does **not** include payments for books, supplies or equipment needed for a course of study.

The amount reported is the total amount of payments received less any reimbursements or refunds made during the calendar year that relate to the payments received for QTRE during the same calendar year. Also, included in Box 1 are payments received for past due QTRE from a previous calendar year. These are typically not eligible for the current year tax credits.

Box 2 *Reserved for future use.* Previously, *Amounts billed for qualified tuition and related expenses.* Box 2 is no longer used due to a change to requirements under federal law. Beginning with the tax year 2018, the University is required to report in Box 1.

In the past, Box 2 included the total amount **billed** by the University during the tax year for tuition and qualified fees. Adjustments to these amounts may appear in Box 4 this year and in the future.

Box 4 *Adjustments made for a prior year:* includes adjustments made to amounts that were reported in Boxes 1 or 2 in prior years. This amount is a negative adjustment and may affect any education tax credit that you claimed in a prior year.

Box 5 *Scholarships or grants:* includes the total of all scholarships or grants administered and processed by the University. This includes third party payments made on your behalf and Veteran's Administration (VA) payments made directly to the University.

The amount of scholarships or grants for the calendar year may reduce the amount of any allowable tuition and fees deduction or the education tax credit you may claim for the year.

Box 6 *Adjustments to scholarships or grants for a prior year:* includes adjustments to amounts that were reported in Box 5 in a prior year. This is always a negative adjustment and may affect any education tax credit that you claimed in a prior year.

Box 7 is checked if any amounts in Box 1 relate to an academic period that begins in January through March of the subsequent year. See IRS Publication 970 for how to report these amounts.

Box 8 is checked if you have been a student for 6 credit hours (half time) or more for at least one academic period that began during the calendar year.

Box 9 is checked if you were a graduate student during the calendar year.

Q2: If I receive Form 1098-T, does it mean I qualify for the American Opportunity Credit, the Lifetime Learning Credit or the Tuition and Fees Deduction?

A2: Not necessarily. The University is required to provide Form 1098-T to individuals who paid for QTRE during the year. Please consult with a qualified tax preparer or advisor to make an individual determination.

Q3: Why doesn't Box 1 equal what I have paid?

A3: Box 1 includes ALL payments for QTRE from ALL sources. This includes scholarships, grants, third party payments, etc. in addition to your out-of-pocket payments and loans applied to your account. In some instances, it may include changes to the characterization of prior years' scholarships, grants, etc.

Regardless of these differences, the education credit is based on when you made payments. You can determine your payments for tuition and fees by looking at your **Account Activity** and/or your personal financial records. It may also be helpful to access your 1098-T box details. You can do this by **Accessing 1098-T Self Service** (see page 1 for instructions).

Q4: On my 1098-T, the amount in Box 5 is greater than the amount in Box 1, but I know I paid out of pocket for certain expenses during the year. What is wrong?

A4: One reason Box 5 may be greater than Box 1 (even though you may have paid certain costs out of pocket) could be that per IRS regulations, only payments made for qualified educational expenses are included in Box 1. Room, board, health insurance, parking decals and certain other charges are not qualified expenses and are not reported in Box 1 on the 1098-T. However, payments for these charges may appear in Box 5 if they were paid by sources other than you and your family.

If you think that some of your scholarship(s) might be subject to tax, please consult a tax professional.

Q5: I'm a veteran and my 1098-T has more reported in Box 5 than in Box 1. Is the excess taxable?

A5: As a veteran, payments you receive for education, training, or subsistence under any law administered by the VA are tax free. Do not include these payments as income on your federal tax return. It will be helpful to your tax preparer if you bring along your Account Activity (see page 1) for the appropriate timeframe.

Q6: I'm an international student. Why did I receive a 1098-T and what do I need to do with it?

A6: The University is not required to provide a 1098-T to certain international students. However, we receive so many requests for them that the University chooses to provide them.

If you are an international student and you do not file a U.S. tax return, you do not need to do anything with the 1098-T. You can disregard it when you receive it. If you elect to receive it electronically, we will not mail one to you in the future.

Q7: I'm a high school student. Why did I receive a 1098-T?

A7: The University is required under IRS regulations to provide a Form 1098-T to each student enrolled in a course that offers college credit. This also includes high school students enrolled through their high school. In most cases, the 1098-T will provide no tax benefit or burden to the family. For further information, see IRS Publication 970.

Q8: Why didn't I receive a 1098-T in the mail for this tax year?

A8: There are several possibilities: 1) Your address on file is incorrect or missing. 2) Your tuition amounts consisted of only non-credit courses. 3) You opted for electronic delivery of your 1098-T form. 4) You were not an enrolled student at any time during the calendar year; and you did not make a payment for QTRE; and you did not have any prior year adjustments.

Q9: Where will my form be mailed to?

A9: The 1098-T form is sent to the student's 1) mailing or 2) home or 3) billing or 4) refund address that is entered in MaineStreet (in that sequential order). If you opted for electronic delivery, you will not receive it in the mail. You may retrieve it electronically in MaineStreet.

Q10: I paid my qualified tuition and expenses with student loans or scholarships. Can I still claim the American Opportunity Credit, the Lifetime Learning Credit or the Tuition and Fees Deduction?

A10: Loan funds should be considered in the same manner as cash payments when calculating the American Opportunity Credit, the Lifetime Learning Credit or the Tuition and Fees Deduction. However, any scholarships, grants, or other non-taxable aid must be deducted from the amount of QTRE paid to calculate the education tax credits or deductions.