

## Information for Tax Year 2016

The Tax Payer Relief Act of 1997 includes provisions for the American Opportunity Credit and the Lifetime Learning Credit. Both credits allow certain taxpayers who have incurred qualified expenses for higher education to take a credit against their federal income tax liability. Educational institutions are required by law to provide information to students who may qualify for the education credits. Schools, colleges and universities report this information to the IRS and to students on Form 1098-T. *The 1098-T form should not be attached to your federal income tax return when you claim the education credits (as W-2 forms are); however, you must have received this form in order to claim either the American Opportunity Credit or the Lifetime Learning Credit on your federal tax return.*

MIT works in conjunction with ACS to print and deliver your 1098-T. To obtain the electronic copy of your 1098-T, please visit [www.1098t.com](http://www.1098t.com)

The following is an explanation of what each box on the 1098-T form contains:

**Box 1 - Payments received for qualified tuition and related expenses:** This box will be left blank. Schools may choose whether to report payments received or amounts billed on student accounts; they need not report both amounts. MIT has chosen to report qualified tuition and related expense amounts **billed (see Box 2)**.

**Box 2 - Amounts billed for qualified tuition and related expenses:** In general, this box will contain the sum of all tuition, registration and required registration fees billed to a student's account during a calendar year, less any amounts by which tuition was reduced due to a reduction in course load or withdrawal. Adjustments made to the tuition by Graduate awards will not reduce the tuition amount. The amount reported is not reduced by the scholarships and grants reported in box 5.

Amounts billed to a student account for housing, books, fines, insurance or non-required fees will **not** be included in the Box 2 amount.

Please note that when the American Opportunity Credit or Lifetime Learning Credit is taken on the federal income tax return, the calculation of the credit is based on the amount of qualified educational expenses actually **paid** by the taxpayer during the calendar year. The Institute reports amounts billed to a student's account. Therefore, the amount you use to calculate your education credit will not necessarily be the same as the amount that appears in Box 2. You should use the information on the 1098-T form in conjunction with your own payment records to determine eligibility for the credits.

If you have questions about how to compute your education tax credit, you should consult your tax professional or refer to IRS Publication 970.

**Box 3 -** This box will be left blank, since MIT has not changed its current method of reporting from the previous year (2015).

**Box 4 - Adjustments made for a prior year:** The amount in this box should be the sum of all reductions in tuition (refunded or not) related to amounts billed in a prior year. This amount is reported as a positive number per IRS requirements. However, it is actually a **decrease** to the amount that was reported on a prior year 1098-T. See "recapture" in the index to Pub. 970 to report a reduction in your credit or deduction.

**Box 5 - Scholarships or grants:** This box contains the sum of all scholarships and grants MIT administered and processed for the student's account during the calendar year. This includes payments received from Graduate departmental awards as well as governmental and private entities such as the Department of Veterans Affairs, the Department of Defense, civic, and religious organizations, and nonprofit entities. Awards included in this amount may pay qualified tuition expenses as well as housing, books, and other non-qualified expenses.

**Box 6 - Adjustments to scholarships or grants for a prior year:** Decreases or refunds of scholarship amounts related to scholarships reported in a previous year are included in this box. This amount is reported as a positive number per IRS requirements. However, it is actually a **decrease** to the amount that was reported on a prior year 1098-T. You may have to file an amended income tax return for the prior year.

**Box 7 -** This box will be checked if the amount reported in Box 2 includes tuition or registration fees billed to a student account in the current year that pay for a semester beginning in the next calendar year. For example, tuition billed in December 2016 for spring semester 2017 will be reported on your 2016 1098-T. Box 7 will be checked to indicate that this is the case.

**Box 8 -** A check in this box indicates that you are or have been enrolled at MIT at least half-time for at least one semester during the calendar year.

**Box 9 -** This box will be checked if you are a student enrolled in a program leading to a graduate-level degree.

**Box 10 -** This box is not used by MIT, so it will be blank.

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## 1098-T Frequently Asked Questions

### What do I do with the 1098-T form?

The purpose of the 1098-T is to help you and/or your tax professional determine if you are eligible for the American Opportunity Credit or the Lifetime Learning Credit. The 1098-T is an informational form.

### What time period does my 2016 1098-T cover?

The 2016 1098-T includes the period from 1/1/2016 through 12/31/2016 and reports qualified charges and credits which have posted to the student's account during the calendar year. Tuition and Fees billed appear in Box 2 and Scholarships and Grants awarded appear in Box 5. Reporting activity on a calendar year basis creates a timing difference on the student's 1098-T which is most apparent during the first and fourth year of attendance. This difference is caused by the spring semester activity being posted in different calendar years. The tuition is posted in December and the associated scholarships and grants are posted in February of the following year. The IRS requires institutions to report on form 1098-T in this manner.

### **Can I use the amounts on my 1098-T form when I file my taxes?**

The amounts on your 1098-T form are for your information and may or may not be what you report on your federal tax return. Please consult your payment records and your tax professional.

### **How can I get help determining if I am eligible to take one of the credits?**

Additional information concerning the American Opportunity Credit and the Lifetime Learning Credit is available in IRS publication 970, Tax Benefits for Higher Education. You may also refer to the IRS Tax Trails - Deduction for Higher Education Expense for online and interactive assistance. Other questions concerning eligibility should be directed to your tax professional. The Institute cannot offer tax or legal advice.

### **I don't file a tax return but I am claimed as a dependent on another person's tax return (i.e., parent, guardian, etc.). Can they take the tax credit?**

Yes, the person claiming you as a dependent can take the credit if you are otherwise eligible.

### **Where can I find a copy of my billing history?**

Check MITPAY for your account transactions.

### **How can I find out how much tuition I paid?**

Most students are able to find this information on MITPAY. Check your personal records for billing statements and cancelled checks.

### **I'm a Non-Resident Alien. Why am I getting a 1098-T form?**

The IRS does not require MIT to file a Form 1098-T for foreign students who are not U.S. residents for tax purposes. This is because non-resident alien students are not eligible for education tax benefits. However, MIT cannot definitively determine which foreign students are residents for tax purposes. Also, the IRS does require MIT to provide a 1098-T to a non-resident alien student who requests one. For these reasons, we provide 1098-T forms to all students, including foreign students who may or may not be eligible for an education tax benefit.

### **Why didn't I receive a 1098-T?**

If you did not receive a 1098-T, the most common reasons are:

- MIT did not have a valid social security number on file for you. You will need to provide MIT with your social security number (SSN) or tax identification number (TIN) in the biographical data section of WebSIS.
- The amount of qualified tuition and related expenses billed during the calendar year was zero.

**How do I view my 1098-T online?**

You can view your 1098-T by visiting [www.1098T.com](http://www.1098T.com) and choosing “Access My Record”.

**Why does MIT need my social security number?**

MIT issues an IRS form 1098-T to students who may be eligible for the American Opportunity Credit or the Lifetime Learning Credit when filing a tax return per IRS requirements. Section 6109 of the Internal Revenue Code requires you to provide your correct SSN or TIN to persons who must file information returns with the IRS (such as MIT). Failure to provide your SSN or TIN to us may result in you receiving an IRS penalty of \$50.

If you are nonresident alien and do not have a TIN and will not file a U.S. tax return, this does not apply to you.

**To update your information, students access WebSIS and follow the links:  
For Students/Personal Records/ Biographic and Emergency Records.**