

Frequently Asked Questions About the 1098-T Tax Form

What is the 1098-T form?

The 1098-T form is used by eligible educational institutions to report information about their students to the IRS as required by the Taxpayer Relief Act of 1997. Eligible educational institutions are required to submit the student's name, address, and taxpayer's identification number (TIN), enrollment and academic status. Beginning with 2003, educational institutions must also report amounts to the IRS pertaining to qualified tuition and related expenses, as well as scholarships and/or grants, taxable or not. A 1098-T form must also be provided to each applicable student. This form is informational only. It serves to alert students that they may be eligible for federal income tax education credits. It should not be considered as tax opinion or advice. 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. 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.

Why did I receive a 1098-T and what am I supposed to do with it?

By January 31 (or by the first Monday in February if the 31st is on a weekend) of each year, Southwest Texas Junior College mails an IRS Form 1098-T to all students who had qualified tuition and other related educational expenses billed to them during the previous **calendar** year. This form is informational only and should not be considered as tax opinion or advice. It serves to alert students that they may be eligible for federal income tax education credits. Receipt of Form 1098-T does not indicate eligibility for the 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.

NOTE: *It is up to each taxpayer to determine eligibility for the credits and how to calculate them.*

Why didn't I get a 1098-T form?

There are several reasons why a 1098-T form may not be generated or received:

- If you received more scholarships and/or grants than the amount of qualified tuition and fees billed.
- If your qualified charges billed are waived or paid through third party billing arrangements.
- If you are classified as a Non Resident Alien on the SWTJC student record database.
- If you enrolled only in courses for which no academic credit is offered.
- If you graduated in May and did not receive any scholarships and grants.

SWJTC bills tuition and fees prior to the start of the semester. If you graduated in May, your spring tuition was billed the prior November and December even though the spring semester did not begin until January. Your spring tuition was reflected on your prior year's 1098-T which would have indicated by a check mark in Box 7 that the form included tuition for a future term.

Can I view my 1098-T form on Web Advisor?

Yes. After giving electronic consent on the student menu under Financial Information, eligible students for which a 1098-T was generated can view the form.

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 education tax credits. Forms are mailed at the end of January of each year for the previous tax year.

Why do you list 'amounts billed for qualified tuition' (Box 2) rather than 'payments received for qualified tuition' (Box 1)?

SWTJC reports amounts billed for qualified tuition (box 2); however, the amount in box 2 of Form 1098-T may be different than what you actually paid. When figuring for education tax benefits purposes, use only the amounts you paid out-of-pocket in that tax year.

What educational expenses are considered as qualified tuition and related expenses?

Included

- Graduate and Undergraduate Tuition
- Student fees
- Assessment fees

Not Included

- Residence Hall charges
- Application fees
- Transcript fees
- Diploma fees
- Advances for books and other expenses that were issued directly to the student
- Textbook charges to SWTJC student account at SWTJC bookstores

For more information about qualified educational expenses please visit the IRS website.

My student is a high school student (i.e., Dual Credit Student). Why did my student get a 1098-T form?

If your student had more qualified charges (Box 2) than they had in scholarships and grants (Box 5), the SWTJC is required to send the 1098-T form. High school students are not precluded from these tax benefits.

Does any of the information on the 1098-T correlate to any amounts I can claim on my tax return?

Not necessarily! Only amounts billed by SWTJC are on the 1098-T form. Whenever a student (or parents) wants to claim the tax credit for educational expenses or any other tax benefits relating to higher education – they must determine the amount of tuition actually paid – NOT BILLED. Furthermore, any related qualified expenses for the tax credit need to be determined from records kept by the taxpayer. SWTJC does not track these type of expenses on the 1098-T.

Box #5 of the 1098-T constitutes scholarships which are considered to be taxable income to the extent Box #5 exceeds the actual amounts PAID for tuition, books, required course fees, and required equipment. The taxpayer will need to figure the correct amount from his or her own records.

Please contact the IRS or your personal tax preparer for assistance.

What other information do I need to claim the tax credit?

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. Most of the information needed must come from the student's personal financial records of what the student paid during the calendar year. Additionally, each taxpayer and his or her tax advisor must make the final determination of qualifying expenses.

My address listed on the 1098-T has changed. Will this affect me?

No. The address shown on Form 1098-T is irrelevant for IRS income tax filing purposes. The single most important information on the form is your Social Security Number. Please call SWJTC Admissions or Registrar at (830) 591-7255 if the SSN on your 1098-T is incorrect.

What is SWTJC's Tax Identification Number?

The SWTJC Federal Identification Number is **74-6002420**. This number can also be found on the 1098-T form in the middle left section.

What if I still have questions?

If you have additional questions/concerns you can reach us

- **by Phone:** SWTJC Business Office (830) 591-7365
- **IRS Tax Info:** (800) 829-1040

Note: Please be advised that SWTJC is prohibited from providing legal, tax, or accounting advice to students and we are not responsible for any use you make of this information.