

1098-T Frequently Asked Questions

The IRS Form 1098-T is provided, as required by the IRS, to provide information that may assist you in completing your individual tax return. **The information listed on IRS Form 1098-T may be different than the amount you actually paid towards Qualified Tuition and Related Expenses (hereafter known as QTRE). We strongly recommend seeking professional assistance when claiming an education tax credit.** Regardless of the information provided on the 1098-T, if you choose to claim an education tax credit, you should always keep documentation such as invoices and receipt of payment that supports any claimed tax credit even if you report only what is on IRS Form 1098-T.

- The IRS Form 1098-T is an information form filed with the Internal Revenue Service.
- The IRS Form 1098-T that you receive reports amounts paid for qualified tuition and related expenses, as well as other related information
You, or the person who may claim you as a dependent, may be able to claim an education tax credit on IRS Form 1040 for the qualified tuition and related expenses that were actually paid during the calendar year.
- **All information that *West Virginia State University* can or will provide you is either on the 1098-T form or is included on this webpage. We are not allowed to discuss tax implications, how this form may relate to you, or give tax advice. Please consult your tax preparer with all questions related to this document. Some helpful links to the IRS at the bottom of this page may provide you more information related to how form 1098-T may affect you. As we cannot provide tax advice or the implications of the IRS Form 1098-T, we will only be able to direct you or your tax preparer to this webpage to answer your questions.**

Amounts Paid for Qualified Tuition and Related Expenses

BOX 1 of IRS Form 1098-T reports the qualified tuition and related expenses **paid** during the calendar year. Sometimes this is referred to as qualified education expenses, although the two are not always interchangeable. Consult a tax professional for explanation. For purposes of IRS Form 1098-T, Appalachian State University has determined based on interpretation of the limited IRS guidance provided that the following charges are included or not in qualified tuition and related expenses. *Please note, IRS Publication 970 states that “the amount on form 1098-T might be different from the amount you actually paid and are deemed to have paid.” Further IRS Form 8863 instructions state that “The amount of qualified Tuition and related expenses reported on Form 1098-T may not reflect the total amount of the qualified tuition and related expenses paid during the year for which you may claim the tax credit. You may include qualified tuition and related expenses that are not reported on IRS Form 1098-T when claiming one of the related credits if you can substantiate payment of these expenses.”*

Qualified Tuition and Related Expenses INCLUDED

- Resident and Non-resident Tuition
- Required General Fees
- Education & Technology Fee
- Safety & Security Fee
- Student Activity Fee

Charges not considered Qualified Tuition and Related expenses and therefore NOT INCLUDED

- Housing related charges
- Dining, Meal Plans
- Insurance
- Late Fees, Interest on Past Due Account
- Library Fines, Fees
- Orientation Fees
- Parking Permit or fines
- Department fees for non-return or damage (ie Books not returned, Room Damage Fees)

Please note that the timing of each charge and payment/scholarship are important regarding which year they are reported in. Many students have charges from Nov-Dec of 2022. Because in 2022 many students had payments larger than their QTRE, the BOX 1 amount for the Spring 2023 term may have been included in the 2022 1098-T. Also in many of those same circumstances, the student also received scholarships and grants for Spring 2023 that did not post until January 2024. This may cause the 2023 1098-T to have zero in BOX 1 but BOX would be populated. Please consult a tax prepared regarding what this means to your individual tax situation.

Special Note regarding Study Abroad & International Education Charges

Some or all of your charges related to Study Abroad & International Education **may** be classified as Qualified Tuition and Related Fees. These are not included on your form 1098-T. We recommend requesting an itemized list of the charges from your trip at the corresponding University. These should be provided to your CPA or tax advisor regarding which charges may or may not be classified as QTRE and therefore potentially tax deductible if paid.

Adjustments Made for a Prior Year

BOX 4 of IRS Form 1098-T reports adjustments made to qualified tuition and related expenses calculated in a prior year. The amount reported in Box 4 represents a reduction in tuition billed during a prior calendar year. For example if you were billed

in Nov-Dec 2022 and later had a reduction in the QTRE charges in 2023 (ie withdrawal, courses dropped), Box 4 reports the decrease in billed tuition due to the withdrawal or drop. The amount reported in BOX 4 reports the decrease in QTRE from the withdrawal or drop of courses that reduced the QTRE. The amount reported in Box 4 for adjustments to qualified tuition and related expenses may reduce any allowable education credit you may claim for the prior year. See your tax advisor and/or IRS Form 8863/IRS Publication 970 for more information.

Note: It is possible for the other boxes to be empty and only have a number in BOX 4. This means as stated above that there was a reduction in qualified tuition and related expenses calculated on the 2022 1098-T that was reduced after December 31, 2022 but had no other reportable activity for the 2022 calendar year. Please consult a tax advisor and/or IRS Form 8863 and IRS Publication 970 for assistance.

Scholarships and/or Grants

BOX 5 of IRS Form 1098-T reports the total of scholarships or grants administered or processed by the Office of Student Accounts and/or the Office of Student Financial Aid during the calendar year.

Please note that the timing of each charge and scholarship are important regarding which year they are reported in. Many students have charges from Nov-Dec of 2022. Because in 2022 many students had payments larger than their QTRE, the BOX 1 amount for the Spring 2023 term may have been included in the 2022 1098-T. Also in many of those same circumstances, the student also received scholarships and grants for Spring 2023 that did not post until January 2023. This may cause the 2023 1098-T to

have zero in BOX 1 but BOX would be populated. Please consult a tax prepared regarding what this means to your individual tax situation.

The amount reported in BOX 5 does not include:

- Student Loans
- Work Study
- Employment
- Scholarships, grants, reimbursements or other types of sponsorships not administered by the Office of Student Accounts and/or the Office of Student Financial Aid.

Per IRS instruction, Veterans Education Benefit amounts received are included in BOX 5.

CARES ACT Higher Education Emergency Relief Funds (CARES HEERF)

Sections 3504, 18004, and 18008 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), enacted on March 27, 2020, allow higher education institutions to use

certain funds allocated by the Department of Education to support students and higher education institutions with expenses and financial needs related to the coronavirus (COVID-19) pandemic. Based on guidance provided by the Internal Revenue Service (IRS), we have not included any CARES HEERF Funds that were awarded to students in the 1098T. See IRS Frequently Asked Questions concerning CARES HEERF Fund Awards.

Adjustments to Scholarships or Grants For a Prior Year

BOX 6 of IRS Form 1098-T reports adjustments made to scholarships or grants reported on a prior year Form 1098-T that was in BOX 5. The amount reported in BOX 6 represents a reduction in scholarships or grants reported for a prior calendar year. The amount reported in BOX 6 for adjustments to scholarships or grants may affect the amount of the education credit you may claim for the prior year. See IRS Form 8863 for how to report these amounts.

Additional Information Reported

BOX 7 indicates, if checked, that BOX 1 includes amounts for an academic period beginning in the next year (2024). For example, if you registered and paid for the upcoming Spring Semester during November or December, this box will be marked.

BOX 8 shows whether you are considered to be at least one-half of the normal full-time workload for at least one academic period during the calendar year.

BOX 9 shows whether you are considered to be enrolled in a program leading to a graduate level degree, certificate, or other recognized education credential.