

Explanation of Your IRS Form 1098-T Tuition Statement

The IRS Form 1098-T is an information form filed with the Internal Revenue Service. The IRS Form 1098-T that you received reports amounts billed to you 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 take either the tuition and fees deduction or claim an education credit on Form 1040 or 1040A for the qualified tuition and related expenses that were actually paid during the calendar year.

There is no need to attach Form 1098-T to your tax return.

All information and assistance that Millsaps College can provide to you is contained in this notice.

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.

You will not receive a 1098-T if the amount of qualified tuition and related fees billed was zero or if the amount of qualified scholarships/grants exceeds the amount of qualified tuition and related fees.

Amounts Billed for Qualified Tuition and Related Expenses

Box 2 of Form 1098-T reports the qualified tuition and related expenses billed to you during the calendar year. Qualified tuition and related expenses are sometimes referred to as qualified education expenses, although the terms are not always interchangeable. For purposes of the Form 1098-T provided by Millsaps College, the following categories of charges are included or not included in qualified tuition and related expenses:

Qualified Tuition and Related Expenses

Included	Not Included
Tuition Graduate & Undergraduate Comprehensive Fees Lab Fees Music Fees	Fines Health Insurance Premiums/Health Fee Credit by Exam/ Prior Learning Credit Fee Tuition Installment Plan Fee Room and Board Charges Course Related Books & Equipment Registration fees paid for non-credit courses

Millsaps College is choosing to report qualified tuition and related expenses that were billed during the calendar year, rather than the amount that was paid. In general, qualified tuition and related expenses are considered to be billed when you register for classes. The amount shown in box 2 for qualified tuition and related expenses billed during the calendar year may represent an amount that is different from the amount actually paid during the calendar year, although for many students the amounts will be the same. Under section 25A of the Internal Revenue Code and the associated regulations, a taxpayer may take a tuition and fee deduction or claim an education tax credit only with respect to qualified tuition and related expenses actually paid during the calendar year. You may not be able to take a tuition and fee deduction or claim an education credit with respect to the entire amount billed and reported in box 2.

Adjustments Made For a Prior Year

Box 4 of Form 1098-T reports adjustments made to qualified tuition and related expenses reported on a prior year Form 1098-T in Box 2. The amount reported in Box 4 represents a **reduction** in tuition billed during a prior calendar year. For example, if you were billed for Spring semester classes in December and withdrew from classes in January, Box 4 reports the decrease in billed tuition due to the withdrawal. 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 IRS Form 8863 or IRS Publication 970 for more information.

Scholarships or Grants

Box 5 of Form 1098-T reports the total of scholarships or grants administered and processed by the Millsaps College Financial Aid Office during the calendar year. The amount reported in Box 4 does not include:

Excluded from Scholarships or Grants

Student loans, for example subsidized, unsubsidized, PLUS, Perkins, and alternative loans.
Work-study.
Scholarships, grants, reimbursements, or other types of sponsorships not administered or processed by the Millsaps College Financial Aid Office.

The amount of any scholarships or grants reported for the calendar year and other similar amounts not reported (because they are not administered and processed by Millsaps College) may reduce the amount of any allowable tuition and fee deduction or education credit that you are entitled to.

Adjustments to Scholarships or Grants For a Prior Year

Box 6 of Form 1098-T reports adjustments made to scholarships or grants reported on a prior year Form 1098-T in Box 4. 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 any allowable tuition and fees deduction or education credit you may claim for the prior year. See IRS Form 8863 for how to report these amounts.

Additional Information Reported

There are three additional information boxes that may have a check mark in them. Box 7 indicates, if checked, that Box 2 includes amounts for an academic period beginning in the next calendar year.

Box 8 shows whether you are considered to be carrying at least one-half the normal full-time workload for your course of study at Millsaps College for at least one academic period during the calendar year. If this box is marked, you meet one of the requirements for the Hope tax credit. You do not have to meet the workload requirement to qualify for the tuition and fee deduction or the lifetime learning credit.

Box 9 shows whether you are considered to be enrolled in a program leading to a graduate degree.

Box 10 would provide an amount of total reimbursements or refunds paid by an insurance contract.

Attaching Form 1098-T to Your Tax Return

You are not required to attach IRS Form 1098-T to your tax return. The IRS Form 1098-T is not like the IRS Form W-2 obtained from your employer, which is required to be attached to the tax return filed with the IRS. The primary purpose of the IRS Form 1098-T is to let you know that Millsaps College has provided required information to the IRS to assist them in determining who may be eligible to claim the tuition and fee deduction or an education credit.

If your 1098-T is incorrect...

The Social Security Number and address on Form 1098-T were obtained from information provided to Millsaps College, although 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. Your Social Security Number must be correct. Please call (601)974-1443 if the Social Security Number on your 1098-T is not the correct number.

For additional information related to IRS Form 1098-T, visit <http://www.irs.gov>. IRS Publication 970 may contain helpful information.