

College can be very expensive. To help students and their parents, the IRS offers the several ways to offset education costs. For more information, see **Publication 970, Tax Benefits for Education**, which can be obtained online at IRS.gov or by calling the IRS at 800-TAX-FORM (800-829-3676).

The Hope Scholarship

The credit provides a federal income tax credit of up to \$2,500 (40% refundable) per student based on the first \$4,000 in postsecondary tuition, fees and course materials paid by the taxpayer during the tax year. The Hope Scholarship tax credit is 100% of the first \$2,000 and 25% of the second \$2,000. The tax credit is limited to the first four years of postsecondary education. The Hope Scholarship tax credit is also known as the American Opportunity Tax Credit (AOTC). The AOTC improvements to the Hope Scholarship will expire at the end of 2017.

The Lifetime Learning

This credit provides a federal income tax credit of up to \$2,000 per taxpayer based on the first \$10,000 in postsecondary tuition and fees paid by the taxpayer during the tax year. The Lifetime learning tax credit is 20% of the first \$10,000. The tax credit may be received for an unlimited number of years.

1098T

IRS Form 1098- T is used to determine eligibility for the tax credits referenced above. To learn more about the process click [here](#).

Student Loan Interest Deduction

Borrowers of federal and private education loans may deduct up to \$2,500 in interest as an above-the-line exclusion from income. This deduction may be taken even if the taxpayer does not itemize.

To watch **short video** clips on **Education Credits** click [here](#).

To see a list of **2013 Education Tax Benefits** click [here](#).