

## **Tax Credit 1098-T Information**

The 1098-T form is provided to help students and parents determine eligibility for an American Opportunity Tax Credit or a Lifetime Learning Credit, and it should not be used to calculate taxable income.

- Please refer to [IRS Publication 970, Chapter 9](#) for further information on eligibility
- Please refer to [IRS Publication 970, Chapter 1](#) for further information on scholarships, fellowship grants, grants, and tuition reductions
- Please also refer to IRS Form 8863 for calculating the education tax credits that a taxpayer may claim as part of your tax return.

1098-T tax information is provided to the LRSC student online through their student Campus Connection account. Information or questions relating to the information on the 1098-T will only be provided or discussed with the student.

LRSC may not provide tax advice. For questions on how to use the 1098-T, please consult your tax advisor or see the IRS Publication 970 and IRS Form 8863.

Per IRS regulations, LRSC makes 1098-T information available to students by January 31st of each year for the previous calendar year.

Please note, as mandated by the Internal Revenue Service, effective the 2018 calendar year, Lake Region State College changed the reporting method on 1098-T forms, to report amounts paid (Box 1) for qualified tuition and related expenses in the calendar year, rather than amounts billed (Box 2). Please consult your tax professional if you have questions about this change. LRSC Student Finance is unable to provide tax advice to students and families.

## **Explanation of Form 1098-T**

Unlike the W-2, which is an income statement, the 1098-T is a Tuition Statement. Its main purpose is to be used to figure out if the student qualifies for educational tax credits. It is not intended to reflect a statement of taxable income. It is not required to be filed with tax return forms. The 1098-T reports on all financial transactions occurred during a calendar year, not academic year.

Educational tax credits are defined as all Qualified Tuition and Related Expenses (QTRE) and they include:

### **Qualified Tuition and Related Fees from the Student Account**

| <b>Included</b>                     | <b>Not Included</b>     |
|-------------------------------------|-------------------------|
| ⇒ Tuition & Mandatory Student Fees: | ⇒ Housing Charges       |
| • LRSC Student Fees                 | • Resident Hall Charges |

| <b>Included</b>  | <b>Not Included</b>   |
|--|---|
| <ul style="list-style-type: none"> <li>• LRSC Technology Fee</li> <li>• NDSA Fee</li> <li>• Connect ND Fee</li> </ul> <p>⇒ Program Fees<br/>⇒ Course or Class Fees</p> | <ul style="list-style-type: none"> <li>• R Bucks Charges</li> <li>• Meal Plans</li> <li>• Miscellaneous Charges</li> </ul> <p>⇒ Bookstore Charges<br/>⇒ Application Fees<br/>⇒ ID Card Charges<br/>⇒ Parking Permits &amp; Citations<br/>⇒ Late Payment Fees<br/>⇒ International Health Insurance</p> |

**Note: Housing and other non-tuition charges on your student account are not considered QTRE.**

**Box 1:** This box reports the total amount paid in the calendar year equivalent to the total qualified tuition and related fee expenses less any qualified waivers. This includes any type of payment made on the student account (i.e. Personal payment, Financial Aid loans, grants, scholarships, Third Party and 529 Trust payments).

**Box 2:** Not used per IRS, effective calendar year 2018.

**Box 4:** This box reports any reduction made during the calendar year to qualified tuition and related fees reported in Box 1 on a prior year Form 1098-T. This amount may reduce any allowable education credit claimed for the prior year.

**Box 5:** This box reports the total of all scholarships, grants, or additional third-party billings administered and processed through LRSC. The amount of scholarships or grants for the calendar year may reduce the amount of any allowable tuition and fees deduction or education credit that is claimed for the year. Scholarships and grants generally include all payments received from a third party (excluding personal family members and loan proceeds). This includes payments received from governmental and private entities such as the Department of Defense, Department of Veterans Affairs, civic, religious, and nonprofit entities.

**Box 6:** This box reports any reduction made during the calendar year to scholarships or grants on a prior year Form 1098-T. This amount may affect the amount of any allowable tuition and fees deduction or the education credit you may claim for the prior year.

**Box 8:** This box reports whether the student was considered to be carrying at least one-half the normal full-time workload for your course of study at LRSC. If the student is at least a one-half time student for one academic period that begins during the year, the box will be checked.

**Box 9:** This box reports whether the student is enrolled in a program leading to a graduate degree, graduate-level certificate, or other recognized graduate-level educational credential.

## Social Security Number

LRSC is required to obtain an accurate Social Security number for every student which is submitted with the 1098-T. If LRSC reaches out to you through mail or you have a checklist item on your Campus Connection Self Service requesting a Social Security number or a corrected Social Security number, please submit required information per the directions received. 1098-T information submitted to the IRS without a Social Security number may be subject to fines/penalties by the IRS and possible audit.

If you do not currently have a Student Identification Number (Social Security Number (SSN) or Individual Student Identification Number (ITIN)) on file with LRSC please complete the following steps:

1. If you have **claimed** your CampusConnection account and do NOT have a Social Security number on file, please follow these steps:
  - Sign into CampusConnection
  - Select LRSC eForms tile
  - Select Student Finance in the left menu
  - Fill out "**Taxpayer Identification**" form
2. If you have **not claimed** your CampusConnection account or need to update information already on file, please go to the [Personal Information page](#) and click on "Update Social Security Number".
  - LRSC will **only** accept securely uploaded documents showing a signed social security card AND driver's license via our [Electronic Encrypted Secure](#) forms
3. Need help signing into CampusConnection? Contact LRSC's Help Desk.
  - **Phone:** 701.662.1596 or 24-hour assistance: **866.457.6387**

Social Security Numbers (SSN) are masked on the 1098-T and only the last four digits will print. The full SSN will be reported to the IRS.

## Other Links

- Information from the IRS on IRA Publication 970, Tax Benefits for Higher Education, and Publication 520, Scholarships and fellowships, are available from the [IRS Web Site](#) or by calling #1-800-TAX-FORM.
- Visit the [U.S. Department of Education](#) for more information or contact your tax person.
- Canadian Tax Information: Canadian students may bring any Canadian tax forms directly to Student Account Services for completion or contact us at 701-662-1550.