1098-T Introduction and Questions

What is the Form 1098-T?

Form 1098-T is an annual IRS form completed by Washington State University and sent to students to assist them in the preparation of their annual income tax returns. The form summarizes qualified tuition and related expenses for the calendar year (January 1 to December 31). The form reports the amounts billed that may entitle the student to the American Opportunity Credit, Lifetime Learning Credit, or other educational tax benefits depending on their individual situation.

In order to comply with IRS regulations, Washington State University is required to have the student's social security number for 1098-T IRS reporting.

The forms will be mailed using the mailing address in our records. If you have moved, please help mitigate delays by changing the mailing address on zzusis before January 1, 2015.

The 1098-T Form

Box 1: Payments received for qualified tuition and related expenses: Not used.

Box 2: Amounts billed for qualified tuition and related expenses: We report to the IRS the amount of qualified tuition expenses billed to your account during the calendar year 2014. A list of qualified expenses is presented in the next section.

Box 3: Change in Reporting Methods Box: not used

Box 4: Adjustments made for a prior year: This is for adjustments to tuition for any period prior to January 1, 2014.

Box 5: Scholarships or grants: This box reports scholarships and grants (not loans) posted to your account during the calendar year 2014. Scholarships and grants may be paid in cash or may be in the form of direct tuition reductions.

Box 6: Adjustments to scholarships or grants for a prior year. This is for adjustments to scholarships and grants that were granted any time prior to January 1, 2014.

Box 7: Not used.

Box 8: If this box is checked, then the student has enrolled at least half time (5 units for graduates, 6 units for undergraduates) for at least one semester during 2014.

Box 9: If this box is checked, then the student is a graduate student or in a credential program at any time during 2014.
What are qualified education expenses?

- Tuition and Special Course Fees less qualified waivers that are required to enroll at WSU
- Books and supplies that are required for course instruction. (Caution: Since the University cannot track any amounts paid for books and supplies, no amount for books and supplies will be on the 1098-T form. Please keep your receipts.)

Some of the qualified education expenses also include:

- Mandatory Health Fee
- Mandatory Transit Fee
- Mandatory Cub Renovation Fee
- Writing Portfolio Fee
- Writing Placement Exam Fee
- Aleks Math Placement Testing Fee

Some expenses that are NOT qualified for the 1098-T:

- Room and board
- Travel
- Insurance
- Other Health Fees
- Research

QUESTIONS AND ANSWERS

1. Do I need to complete a 1098-T form?

No, the 1098-T form is completed by the University.

2. Why did I not receive a 1098-T?

Washington State University is not required to furnish a 1098-T for the following reasons:

- Students who take classes where no academic credit is offered even if the student is otherwise enrolled in a degree program;
- Students who are nonresident aliens for income tax purposes (unless requested by the student);
- Students whose qualified tuition and related expenses are entirely waived or paid entirely with grants and scholarship; and
The most common reasons for not receiving a 1098-T are:

- Washington State University does not have your social security number. This information is required for 1098-T reporting (make sure that you provide us with the information).
- Washington State University does not have your valid address.
- The student's qualified tuition and related expenses are entirely waived.

3. Is my financial aid reported on the 1098-T?

Scholarships and grants processed throughout the University are reported in Box 5 on the 1098-T. Tuition waivers reduce the tuition amount posted in Box 2. Loans are not reported on the 1098-T.

4. How do I furnish Washington State University with my social security number?


5. What if I am a parent and I need access to my child's 1098-T?

By FERPA (Family Education Rights and Privacy Act of 1974), parents have rights to their children's education records but those rights transfer to the child when the child starts college OR reaches the age of 18. We are required to obtain authorization from the student to release their financial information. The student may grant this access through our Shared Info webpage, [https://webapps.wsu.edu/ais/sharedinfo/AuthorizeAccess.aspx](https://webapps.wsu.edu/ais/sharedinfo/AuthorizeAccess.aspx).

Information regarding FERPA is available at [http://www.registrar.wsu.edu/Registrar/Apps/FERPA.ASPX](http://www.registrar.wsu.edu/Registrar/Apps/FERPA.ASPX).

6. What are the educational tax benefits that the IRS offers?

Some of the tax benefits the IRS offers are:

**American Opportunity Credit** - A student may take a credit up to $2,500 (with up to $1,000 refundable). The student must have been enrolled at least half-time for any semester during 2014, which can be verified if Box 8 on the 1098-T has been checked.

The list of qualified expenses has been expanded to include "course materials", or books, supplies, and equipment needed for a course study. Caution: for the purposes of this credit, the
1098-T may not reflect the total qualified expenses based on information available. This credit is available for students who are in their first four years of post-secondary education.

**Lifetime Learning Credit** - A taxpayer may take up to $2,000 (20% of the first $10,000 in expenses) credit per tax return, not per student. The credit is available for all years of postsecondary education and courses to acquire or improve job skills.

**Tuition and Fees Deduction** - Up to $4,000 may be deducted from income for qualified expenses. Expenses that do not qualify for these benefits include insurance, medical expenses, room and board, and expenses for non-credit courses.

For details, check out IRS Publication 970.

### 7. I am an international student; do I need a 1098-T?

It depends whether you are a nonresident alien for federal income tax purposes. Nonresident aliens are generally not eligible for educational tax benefits.

Only you and your tax consultant can determine if you are eligible for any of the above tax benefits. The University cannot advise you on your tax situation.

### 8. Is there a payment required when the 1098-T is received?

Absolutely not! The 1098-T is not a bill from the University.

Remember, the 1098-T is completed by the University; you do not complete the 1098-T.

### 9. What if my Social Security number on my 1098-T form is incorrect?

You will need to complete an IRS W-9S form, which can be downloaded from this link: [http://www.irs.gov/pub/irs-pdf/fw9s.pdf](http://www.irs.gov/pub/irs-pdf/fw9s.pdf). You will need to bring original documentation, such as your Social Security card, as proof for your number to the Payroll Office, located in the French Administration Building, Room 236.

Please allow several business days for your 1098-T form to be corrected.

### Other Questions?

Please email us at [univ-receivables@wsu.edu](mailto:univ-receivables@wsu.edu).
Regarding tax information,

You can also call the IRS at 1-800-829-1040, Monday-Friday, 7:00 AM - 10:00 PM or visit the web site at www.irs.gov.

**DISCLAIMER:** The information on this page is general information only. We are not personal tax preparers and cannot give any personal tax advice. For tax preparation advice, please consult your tax advisor.

Updated June 12, 2014