Why Should I Elect Online Access?

You can access your 1098-T earlier and easier by electing online delivery. Once we issue the 2010 statements, you gain immediate access to your 1098-T detail without mail delivery delay. Many people also prefer to print this information themselves securely from their homes instead of having it sent via the postal service. In addition, obtaining this tax information online is one small way you can personally help the environment.

Why Doesn’t My 1098-T Match What I Paid/Received?

This is the most common misunderstanding each year. For 1098-T purposes, the University of Delaware reports qualified transactions in the calendar year when amounts were billed and not when amounts were paid, received or posted. For example, undergraduate students were billed for Spring 2010 semester charges in mid-December of 2009. Only charges that post in 2010 will appear on this 1098T statement. You can view your activity online through Campus Finances at www.udel.edu/paybill to see all charges posted by in the tax-year 2010.

Amounts of qualified tuition and required fees reported on your 1098-T are defined by the IRS as “tuition and fees required for enrollment or attendance at an eligible educational institution”. The IRS does not consider student health fees, transportation fees, insurance fees, or room and board of any kind* as qualified tuition and related fees, therefore, these fees are excluded from amounts reported on the 1098-T.

*Because the Study Abroad Fee includes room and board, this disqualifies the entire amount from 1098-T reporting.

Amounts of scholarships reported on your 1098-T are for determining eligibility for the Hope credit and lifetime learning credit only, NOT for determining taxability of such scholarships. Your scholarships may or may not be taxable, refer to IRS Publication 970 (http://www.irs.gov/pub/irs-pdf/p970.pdf) for details on determining the taxability of different types of scholarships.

What are the Amounts Reported in the Boxes on the 1098-T?

The boxes contain the totals of your annual qualified tuition and fees. Box descriptions can be found at bottom of the 1098-T itself, and additional information and descriptions can be found on the IRS website (http://www.irs.gov), keyword "1098-T"
* * For 1098-T purposes University of Delaware reports amounts when billed and NOT when paid, received, or posted. For this reason Box 1, Box 3 and Box 10 are not used University of Delaware. * *

What is a 1098-T Anyway?

The 1098-T (along with the 1098-T Detail) provides tax information necessary to determine eligibility for the Hope credit and the lifetime learning credit. The Taxpayer Relief Act of 1997 (TRA97) created these two tax credits for students and their families.

Hope credit - provides up to $1,500 per student for qualified tuition and related expenses for the first two years of postsecondary education. To be eligible, students must be enrolled at least half-time in a degree- or certificate-granting program.

lifetime learning credit - is more broadly applicable to any postsecondary education to acquire or improve job skills. It provides a credit equal to 20 percent of qualified expenses of no more than $10,000 per taxpayer (family).

For more details on the potential benefits of these tax credits, seek the advice of a qualified tax professional, or refer to the IRS websites at (http://www.irs.gov/publications/p970/ch02.html) and (http://www.irs.gov/publications/p970/ch03.html).

How Do I Get More Information about the 1098T and how to use this for tax purposes?

The University of Delaware is prohibited from giving tax advice, or guidance on tax determinations or calculations, and from disclosing any student information over the telephone or to anyone other than the student themselves. We offer as much information as possible and include informative resources and references where available. Other resources such as browsing the IRS website, which is easy to navigate, and seeking the advice from a qualified tax professional are recommended if you have questions about your specific reporting.

Please read below for a description of each box of the 1098T tax form-
Account number. May show an account or other unique number the filer assigned to distinguish your account.

What is Box 1 of the 1098T?
Box 1. Shows the total payments received from any source for qualified tuition and related expenses less any related reimbursements or refunds.
What is Box 2 of the 1098T?

Box 2. Shows the total amounts billed for qualified tuition and related expenses less any related reductions in charges.

What is Box 3 of the 1098T?

Box 3. Shows whether your institution changed its method of reporting for 2009. It has changed its method of reporting if the method (payments received or amounts billed) used for 2009 is different than the reporting method used for 2008. You should be aware of this change in figuring your education credits. The credits are allowable only for amounts actually paid during the year and not amounts reported as billed, but not paid, during the year.

What is Box 4 of the 1098T?

Box 4. Shows any adjustment made for a prior year for qualified tuition and related expenses that were reported on a prior year Form 1098-T. This amount may reduce any allowable education credit that you claimed for the prior year. See “recapture” in the index to Pub. 970 to report a reduction in your education credit or tuition and fees deduction.

What is Box 5 of the 1098T?

Box 5. Shows the total of all scholarships or grants administered and processed by the eligible educational institution. The amount of scholarships or grants for the calendar year (including those not reported by the institution) may reduce the amount of the education credit you claim for the year.

What is Box 6 of the 1098T?

Box 6. Shows adjustments to scholarships or grants for a prior year. This amount may affect the amount of any allowable tuition and fees deduction or education credit that you claimed for the prior year. You may have to file an amended income tax return (Form 1040X) for the prior year.

What is Box 7 of the 1098T?

Box 7. Shows whether the amount in box 1 or 2 includes amounts for an academic period beginning January-March 2010. See Pub. 970 for how to report these amounts.

What is Box 8 of the 1098T?

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 the reporting institution. If you are at least
a half-time student for at least one academic period that begins during the year, you meet one of the requirements for the Hope credit. You do not have to meet the workload requirement to qualify for the lifetime learning credit.

**What is Box 9 of the 1098T?**

Box 9. Shows whether you are considered to be enrolled in a program leading to a graduate degree, graduate-level certificate, or other recognized graduate-level educational credential. If you are enrolled in a graduate program, you are not eligible for the Hope credit, but you may qualify for the lifetime learning credit.

**What is Box 10 of the 1098T?**

Box 10. Shows the total amount of reimbursements or refunds of qualified tuition and related expenses made by an insurer. The amount of reimbursements or refunds for the calendar year may reduce the amount of any education credit you can claim for the year.