

## 1098-T Frequently Asked Questions

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### **Q: What is the IRS Form 1098-T?**

A: The Form 1098-T is a statement that colleges and universities are required to issue to certain students. It provides the total dollar amount paid by the student for what is referred to as qualified tuition and related expenses (or "QTRE") in a single tax year.

### **Q: When will I receive my Form 1098-T?**

A: Your Form 1098-T will be mailed to your mailing address on file on or before January 31<sup>st</sup>.

### **Q: Why don't the numbers on Form 1098-T equal the amounts I paid to NCCC during the year?**

A: There are potentially many reasons for this discrepancy. First, the amount in Box 1 only represents amounts paid for *qualified tuition and related expenses* (QTRE) and does not include payments made for room and board, service fees, or parking, for example, which, though important, are not considered mandatory education expenses for tax purposes. Secondly, Form 1098-T reports amounts that the student paid in a certain year, and the pay date does not necessarily correspond to the dates that the classes were attended. For example, tuition for the Spring semester is typically billed in December so a student may have paid tuition for the Spring semester in 2018 despite the fact that classes didn't start until 2019. The best and most accurate source of information about the amounts that you paid for qualified tuition and related expenses will be your Statements.

### **Q: Does the 1098-T include charges for books?**

A: No, the College does not include amounts paid for books in Box 1 of Form 1098-T. You should consult with your tax advisor to determine if payments for books, equipment or fees should be considered when preparing your income tax returns and determining eligibility for education tax credits or deductions.

### **Q: What semesters are included in my Form 1098-T?**

A: Box 1 of Form 1098-T reflects payments made during the calendar year for *qualified tuition and related expenses* and it is not based on when the classes were attended or billed to the student account. Your Student Ledger and Statement will show the dates payments were posted to your account and are a valuable resource for determining the semesters that are included in your Form 1098-T. You can access your Ledger on the Student Portal by term but it is best to request a copy of your Standard Statement used for the 1098T from the Business Office.

### **Q: How do I prepare my tax returns without a Form 1098-T?**

A: Form 1098-T reports payments received from the student for qualified tuition and related expenses (Box 1) during the preceding calendar year. However, if the student receives scholarships, grants and/or fellowships in the preceding year in excess of the amounts they paid in QTRE, the University is not required to issue a Form 1098-T to the student. When determining your eligibility for education related tax credits and deductions, you will need to report the amount you paid for qualified education and related expenses. Therefore, your **Standard Statement** will be the best and most accurate source of information for amounts paid for qualified education and related expenses. This is true regardless of whether you receive a Form 1098-T or not.

### **Q: My accountant says that the College must provide me with a form 1098-T.**

A: The College is **not** required, by the IRS, to furnish a Form 1098-T in the following instances:

ÿ Payments for courses for which no academic credit is offered, even if the student is otherwise enrolled in a degree program.

ÿ Enrolled student is a nonresident alien, unless requested by the student.

ÿ Students whose qualified tuition and related expenses are entirely waived or paid entirely with grants/scholarships.

ÿ Students for whom you do not maintain a separate financial account and whose qualified tuition and related expenses are covered by a formal billing arrangement between an institution and the student's employer or a governmental entity, such as the Department of Veterans Affairs or the Department of Defense.

**Q: Why isn't Box 2 filled out on my Form 1098-T when it has been in prior year?**

A: In previous years, Form 1098-T included a dollar amount in Box 2 that represented the qualified tuition and related expenses (QTRE) the College *billed* to your student account for the calendar (tax) year. Due to a change to institutional reporting requirements under federal law, beginning with tax year 2018, the College must report in Box 1 the amount of QTRE you *paid* during the year.

**Q: My SSN is wrong on my Form 1098-T. Can I have a new one sent to me?**

A: If your SSN is incorrect, you will need to complete Form **W-9S** and deliver it in person or via fax to the Bursar's Office at (518) 891-6562 and request that an updated Form 1098-T be issued. All requests must be in prior to March 31<sup>st</sup>, 2019 or a new 1098T cannot be created due to IRS deadlines for the College.

**Q: I don't understand what I'm supposed to do with this Form 1098-T.**

A: We are unable to provide tax advice. For guidance you may want to consider IRS Publication 970 in addition to choosing a Tax Professional.

**Q: How were the figures on my 1098T calculated?**

A: To calculate the figure in Box 1 the College determines the net of your *Qualifying Tuition and Related Expenses [QTRE]* for the calendar year. Then the payments made during the calendar year are calculated, less any refunds. The lesser of the two is reported in Box 1. For example:

**IF** the net of your **Payments** exceeds your **QTRE**; we reported your QTRE in Box 1

**IF** the net of your **QTRE** exceeds your **Payments**; we reported your Payments in Box 1

\*Please note, per IRS regulations, the figure provided in Box 1 will never exceed your QTRE. Additionally, all the figures used in the calculations occurring during the calendar year, not the academic year.

**Q: What does each box represent on the 1098T Form?**

**Box 1: Payments Received for Qualified Tuition and Related Expenses**

Box 1 reports the qualifying tuition and related expenses paid during the calendar year. See chart for breakdown of what is included to calculate the figure in Box 1.

If you received a tuition waiver, then the amount of the QTRE expenses in Box 1 will be the “net” amount you paid after the waiver. If your waiver reduced your qualified educational expenses for that year to zero, then you will not receive a Form 1098-T in that year.

**Box 2: Blank**

Amounts billed are no longer allowed to be reported per the IRS regulation starting with the 2018 calendar year. All 1098Ts prior to the year 2018 were reported with Box 2 for all NCCC Students.

**Box 3: Checkbox for a Change in Reporting Method**

The IRS determined all schools must report Box 1 starting with the 2018 1098T. This box was checked on all 2018 1098T forms as our College made the change.

**Box 4: Adjustments Made for a Prior Year**

Represents a reduction in qualifying tuition and related expenses reported for a prior calendar year.

**Box 5: Scholarships or Grants**

**Q: How were the figures on my 1098T calculated?**

Displays the total amount of any scholarships or grants processed during the calendar year for payment of the student’s cost of attendance.

**Box 6: Adjustments to Scholarships or Grants for a Prior Year**

Similar to Box 4, Box 6 will show any reduction to the amount of scholarships or grants previously reported.

**Box 7: Checkbox for Amounts for an Academic Period Beginning January through March of the next year.**

Box 7 is checked if any amounts billed for qualified tuition and related expenses reported for this tax form relate to an academic period which has yet to commence. For example, if you were billed in 2019 for the 2020 spring semester, the box will be checked. Please note, NCCC posts all costs for the 2020 term in the year 2020 and this box will not be checked.

**Box 8: Check if at Least Half-Time Student**

This box is checked if the student was at least a half-time student during any academic period that began in the reporting year. A half-time student is a student enrolled for at least half the full-time academic workload for the course of study the student is pursuing (6 credits).

**Box 9: Blank**

Not applicable to NCCC

**Box 10: Blank**

Not applicable to NCCC

## Qualifying Tuition and Related Expenses

### Included to Calculate Box 1

- Resident and Non-Resident Tuition
- Specific mandatory fees
  - Athletic Recreation Fee
  - Technology Fee
- Course and program fees
- Payment Plan Fee
- Health Program Fee
- All Payments less any Refunds:
  - Out of Pocket Payments
  - Employee Tuition Waivers
  - Grants / Scholarships
  - Loans
  - Third Party Payments
  - NYS TAP / Excelsior

### Excluded from Box 1 Calculation

- Housing and Meal Plan charges
- Book Charges
- Fees that cover travel or personal living or family expenses
- Security, Parking, and Transportation Fees
- Student Activity Fee
- Late Fees and Collection Costs
- Orientation Fees
- Transcript & Graduation Fees
- Parking Fees and Fines
- Library Charges and Fines
- Payments which exceed the net of Qualifying Tuition and Related Expenses – Box 1 will never exceed the QTRE
- CARES ACT Funds