



# Are your students thinking about college?

**Education tax credits could help with the cost of college.**

## **What are the education tax credits?**

There are two important tax credits that can help students and their families pay for college or for education courses that advance or improve job skills.

1. The AOTC, American Opportunity Tax Credit, can help students pay for the first four years of college if the student attends at least half-time. The credit provides up to **\$2,500** per student per year, or up to **\$10,000** over four years of education.
2. The LLC, Lifetime Learning Tax Credit, can help students pay for any level of college or for education courses that advance or improve job skills. The credit provides up to **\$2,000** per return per year.

## **When/how do students and their families claim one of these credits?**

After the student has completed and paid for college courses, they or their parent must file a federal tax return and complete Form 8863. Colleges generally issue Form 1098-T to their students. This form contains helpful information needed to complete Form 8863. They can use the Interactive Tax Assistant tool on IRS.gov to see if they can claim the credit. **Be sure to remind your students about other important tax benefits after they enroll, such as the dependent exemption and the Earned Income Tax Credit for full-time students under age 24.**

## **Where can my students get more information about these valuable tax credits for higher education?**

Everything you need is online at Education Credits.