

## 1098-T FAQ

### Frequently Asked Questions about the Statement of Tuition, Form 1098-T

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### *1. When will 2023 1098-T Tuition Statements be mailed to students?*

The taxpayer's copy of the 2023 1098-T Tuition Statement must be postmarked by January 31st, 2024. Students who consent to receive their 1098-T Tuition Statement electronically will receive their forms sooner. For more information see FAQ #2 or visit our Tax website at:

[http://www.minnstate.edu/system/finance/taxinformation/other/electronic\\_tax\\_forms.html](http://www.minnstate.edu/system/finance/taxinformation/other/electronic_tax_forms.html)

### *2. Are 1098-T Tuition Statements available on the web?*

Yes! Students may consent to receive their 1098-T Tuition Statement electronically in PDF format by logging into their Student e-Services account. If the student is eligible to receive a 1098-T Tuition Statement, they will see a message in the Action Item area on their dashboard. By clicking on the message, the student will be taken to a consent page. A student need only consent one time. The consent will be effective for all 1098-T Tuition Statements issued by Minnesota State Colleges and Universities for current and future years unless the student withdraws their consent by sending a [letter](#) to Tax Services via snail mail. In January, when the 1098-T tax form is available, the student will be notified via their Student e-Services dashboard and by email. The notification will state "IMPORTANT TAX RETURN DOCUMENT AVAILABLE: 1098-T TUITION STATEMENT". The form is made available as a PDF for online viewing, downloading and/or printing.

### *3. How can the student get a copy of their current or prior year 1098-T Tuition Statement?*

The student may consent to receive their current and prior year 1098-T Tuition Statements electronically via Student e-Services. The advantage of electronic delivery is that the student may download the form at their convenience without waiting for the form to be mailed.

Electronic access to 1098-T Tuition Statements via Student e-Services is available even when the student is no longer actively enrolled. For more information see FAQ #2 or visit our Tax website at:

[http://www.minnstate.edu/system/finance/taxinformation/other/electronic\\_tax\\_forms.html](http://www.minnstate.edu/system/finance/taxinformation/other/electronic_tax_forms.html)

Alternatively, a student may ask their campus Business Office for reprints of 1098-T Tuition Statements for tax years 2004 through 2023.

### *4. Where can taxpayers find more information about educational tax credits?*

The Internal Revenue Service has a web page called **Tax Benefits for Education: Information Center** at: <https://www.irs.gov/newsroom/tax-benefits-for-education-information-center>

Another resource is IRS Publication 970, Tax Benefits for Education found on the IRS web site at [www.irs.gov](http://www.irs.gov).

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### **5. Why do only the last 4 digits of the student's tax payer identification number appear on the 2023 1098-T Tuition Statement?**

To protect a student's personal data, mailed and electronic copies of the 2023 1098-T Tuition Statement will show only the last four digits of the student's SSN, ITIN or ATIN. As required by law, Minnesota State Colleges and Universities will report the student's complete tax identification number to the Internal Revenue Service, if it is in our database.

### **6. Who do I contact to report a missing or incorrect social security number on a 2023 1098-T, Tuition Statement?**

If the student's social security number is incorrect on or missing from their 2023 1098-T Tuition Statement, the student must contact their campus to make corrections. Once the student's tax identification number has been corrected by their home campus, please contact Ann Page in Tax Services at 651-201-1730 to correct the SSN that is on the student's copy of the 2023 1098-T Tuition Statement and that will be reported to the Internal Revenue Service.

### **7. Are instructions provided to the student on the 2023 1098-T?**

Yes. The 2023 1098-T form contains the following information under the heading:

#### **Instructions for Student**

You, or the person who can claim you as a dependent, may be able to claim an education credit on Form 1040 or 1040-SR. This statement has been furnished to you by an eligible educational institution in which you are enrolled. This statement is required to support any claim for an education credit. Retain this statement for your records. To see if you qualify for a credit, and for help in calculating the amount of your credit, see Pub. 970, Form 8863, and the Instructions for Forms 1040 and 1040-SR.

Your institution must include its name, address, and information contact telephone number on this statement. It may also include contact information for a service provider. Although the filer or the service provider may be able to answer certain questions about the statement, do not contact the filer or the service provider for explanations of the requirements for (and how to figure) any education credit that you may claim.

**Student's taxpayer identification number (TIN).** For your protection, this form may show only the last four digits of your TIN (SSN, ITIN, ATIN, or EIN). However, the issuer has reported your complete TIN to the IRS. **Caution:** If your TIN is not shown in this box, your school was not able to provide it. Contact your school if you have questions.

**Box 1.** Shows the total payments received by an eligible educational institution in 2023 from any source for qualified tuition and related expenses less any reimbursements or refunds made during 2023 that relate to those payments received during 2023.

**Box 4.** Shows any adjustment made by an eligible educational institution 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 (may result in an increase in tax liability for the year of the refund). See "recapture" in the index to Pub. 970 to report a reduction in your education credit or tuition and fees deduction.

**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.

**TIP:** You may be able to increase the combined value of an education credit and certain educational assistance (including Pell Grants) if the student includes some or all of the educational assistance in income in the year it is received. For details, see Pub. 970.

**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 1040-X) for the prior year.

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**Box 7.** Shows whether the amount in box 1 includes amounts for an academic period beginning January–March 2024. See Pub. 970 for how to report these amounts.

**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.

**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.

**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 (may result in an increase in tax liability for the year of the refund).

**Future developments.** For the latest information about developments related to Form 1098-T and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/Form1098T](http://www.irs.gov/Form1098T).

**Please Note:** Students who attended more than one Minnesota State college or university will receive a single 1098-T Tuition Statement combining all reportable transactions

**FreeFile.** Go to [www.irs.gov/FreeFile](http://www.irs.gov/FreeFile) to see if you qualify for no-cost online federal tax preparation, e-filing, and direct deposit or payment options.

### 8. Are payments for spring semester 2024 included on the 2023 1098-T?

2023 1098-T Tuition Statement reporting includes all reportable payments for qualified tuition and related expenses received by Minnesota State Colleges and Universities in 2023 on behalf of the student from any source. However, payments made for Spring 2024 are reportable **only if** the student was enrolled in an academic term beginning in 2023 or earlier. Please see Discussion Q-1 in IRS Notice 2006-72 *Information Reporting for Qualified Tuition and Related Expenses* found in Internal Revenue Bulletin 2006-36 dated September 5, 2006 at [https://www.irs.gov/irb/2006-36\\_IRB#NOT-2006-72](https://www.irs.gov/irb/2006-36_IRB#NOT-2006-72) for details.

*Note:* For information on whether such payments qualify for a 2023 tax benefit, please refer to IRS Publication 970 Tax Benefits for Education and/or your tax professional.

### 9. What fees are included in Box 1, Payments received for qualified tuition & related expenses?

For a payment to appear on the 1098-T, it must be for “Qualified Tuition and Related Expenses”. For a list of Minnesota State Colleges and Universities tuition and fees by object code that are included in Qualified Tuition and Related Expenses, please visit our 1098-T Student Tax Information web page at: <http://www.minnstate.edu/system/finance/taxinformation/student/statements/index.html>

### 10. What payment amounts are not reported on the 1098-T?

Nonqualified Tuition and Related Expenses will not be reported on the 1098-T Tuition Statement. Minnesota State Colleges and Universities uses a two step test to determine whether a fee is eligible as a “Qualified Tuition and Related Expense” under 26 U.S.C. § 25A. First, the tuition or fees must be “required for the enrollment or attendance at an eligible educational institution for courses of instruction.” (26 U.S.C. § 25A(f)(1)(A)). Second, even if required for enrollment, certain fees are excluded. These include education involving sports, unless the course or education involved is part of the student’s degree program (26 U.S.C. § 25A(f)(1)(B)); and non-academic fees, including

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“Student activity fees, athletic fees, insurance expenses, or other expenses unrelated to an individual’s academic course of instruction” (26 U.S.C. § 25A(f)(1)(C)).

The text of 26 U.S.C. § 25A can be accessed at: <http://uscode.house.gov> . On the Search page, enter 26 as the Title and 25A as the Section.

**Note:** Taxpayers should rely upon their own financial records and the advice of their tax professional when determining whether an educational tax benefit exists. Please refer to the Student Instructions on the 1098-T form (FAQ #7), to the IRS web site ([www.irs.gov](http://www.irs.gov)) and Publication 970, <http://www.irs.gov/pub/irs-pdf/p970.pdf> for further information on educational tax benefits. The amounts reported by Minnesota State Colleges and Universities on the student’s 1098-T Tuition Statement are correct based on Minnesota State Colleges and Universities interpretation of the Internal Revenue Code 26 U.S.C. § 25A and an analysis of Minnesota State Colleges and Universities accounts receivable process. Minnesota State Colleges and Universities will not change 1098-T reporting based on a taxpayer’s interpretation of the Internal Revenue code.

### **11. What amounts are included in Box 5, Scholarships and Grants?**

Box 5 Scholarships or Grants includes all scholarships and grants that are administered and processed on behalf of the student by a Minnesota State Colleges and Universities institution. The IRS also requires us to report third party payments in Box 5, including Veterans Affairs educational benefits. The amount of scholarships or grants for the calendar year (including those not reported by Minnesota State Colleges and Universities) may reduce the amount of any allowable tuition and fees deduction or the education credit that a taxpayer may claim for the year. It is up to the taxpayer and their tax advisor based on the taxpayer’s records to determine how scholarships, grants and third party payments will affect any allowable tuition and fees deduction or education credit. Student account details can be accessed through the student’s home campus web page or by contacting their campus Business Office.

### **12. Why are the amounts in Box 4, Adjustments to tuition and fees for a prior year and in Box 6, Adjustments to scholarships or grants for a prior year, reported as positive numbers?**

The IRS requires that we report all financial information in whole numbers. The amounts reported in Box 4, Adjustments to tuition and fees for a prior year and in Box 6, Adjustments to scholarships or grants for a prior year are **decreases** to the amounts reported on a prior year 1098-T Tuition Statement.

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### ***13. What if a taxpayer disputes the amounts that Minnesota State Colleges and Universities is reporting on the 1098-T?***

The 1098-T Tuition Statement is an information return provided by Minnesota State Colleges and Universities for the convenience of the taxpayer. The amounts reported on the taxpayer's Minnesota State Colleges and Universities 1098-T are correct based on Minnesota State Colleges and Universities interpretation of the Internal Revenue Code 26 U.S.C. § 25A (see FAQ #10) and an analysis of Minnesota State Colleges and Universities accounts receivable process. Taxpayers should rely upon their own financial records and the advice of their tax professional when determining whether an educational tax benefit exists. Although we may not give tax advice, we may refer the taxpayer to the Student Instructions on the 1098-T form (FAQ #7), to the IRS web site ([www.irs.gov](http://www.irs.gov)) and Publication 970, <http://www.irs.gov/pub/irs-pdf/p970.pdf>, for further information on educational tax credits. Minnesota State Colleges and Universities will not change 1098-T reporting based on a taxpayer's interpretation of the Internal Revenue code.

### ***14. Data privacy rules***

Tax Services will only mail a 1098-T to an address in the Minnesota State Colleges and Universities database. If a student wants their 1098-T to be sent to a new address, they must first update their address in our system.

### ***15. Is the financial information on the 1098-T reported to the IRS?***

Yes. In addition to the financial information, Minnesota State Colleges and Universities must also report the student's name, social security number, whether the student was enrolled more than half time in the current tax year, whether they were a graduate student, and whether any of the payments that appear in Box 1 were for classes starting in the first 3 months of 2024.

### ***16. What is a W-9S and what does it have to do with 1098-T reporting?***

The IRS requires that 1098-T information be reported with a taxpayer identification number, either a Social Security Number (SSN), or an Individual Taxpayer Identification Number (ITIN). Each fall, Minnesota State Colleges and Universities sends IRS Form W-9S, Request for Student's Taxpayer Identification Number, to all Minnesota State Colleges and Universities students with enrollment in the tax year and whose campus Person records have invalid or missing SSNs. If the student does not provide their SSN or ITIN, Minnesota State Colleges and Universities will report their 1098-T data to the IRS without their taxpayer identification number. The IRS may impose a penalty on the student for failing to supply their taxpayer identification number as requested.

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### ***17. Are 1098-T's sent to international students?***

All international students with 2023 1098-T reportable transactions will receive a 2023 1098-T from Minnesota State Colleges and Universities.

Individuals cannot claim the American Opportunity Tax Credit or the Lifetime Learning Credit if they (or their spouse, if filing jointly) were a nonresident alien during 2023, and did not elect to be treated as a resident alien for tax purposes. More information on nonresident alien taxation can be found in IRS Pub. 519, *U.S. Tax Guide for Aliens* at the IRS web site: [www.irs.gov](http://www.irs.gov). It is up to the individual taxpayer to determine their tax residency status and their eligibility for educational tax benefits.

### ***18. When will reprints of the 2023 1098-T data be available?***

If a reprint is needed, we encourage students to sign up for electronic delivery of their 1098-T Tuition Statement via their Student e-Services account. Students may also request reprints from their campus 1098-T contact after the first week of February. Prior year 1098-T reprints are also available through electronic delivery or the campus 1098-T contact.

### ***19. What changes did the American Recovery and Reinvestment Act (ARRA) have on the Hope credit?***

There is no change to what is reported on the 1098-T Tuition Statement, however the ARRA did modify the Hope credit eligibility and the definition of qualifying expenses. The new American Opportunity Tax Credit modifies the existing Hope Credit making it available to a broader range of taxpayers, including many with higher incomes and those who owe no tax. It also adds required course materials to the list of qualifying expenses and allows the credit to be claimed for four post-secondary education years instead of two. Many of those eligible will qualify for the maximum annual credit. For more information, visit the IRS web site at: <https://www.irs.gov/credits-deductions/individuals/aotc>

### ***20. If a student participated in a for credit international study program, will their travel, room & board and insurance costs be included on the 1098-T Tuition Statement?***

Travel, room & board and insurance costs are not included in the definition of Qualified Tuition & Fees for the purposes of 1098-T Tuition Statement reporting.

### ***21. Is there a report available that details what is included in each box of the 1098-T Tuition Statement?***

Yes, ISRS report AR1090CP details by campus and term the amounts reported in each box of a student's 1098-T Tuition Statement. We recommend printing this report for all students who have questions regarding the amounts reported on their 1098-T Tuition Statement. Interested students should contact their campus 1098-T contact to request this report. This report is also available on-

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line via Student e-Services as a web-based report to those students that consent to electronic delivery of their 1098-T Tuition Statements.

### ***22. Why are Veterans Affairs benefits appearing as a scholarship in Box 5 of the 1098-T?***

The IRS released guidance that Chapter 33 Veterans Affairs Benefits should be treated as scholarships and reported in Box 5 of the 1098-T Tuition Statement. This is because the amounts of the GI Bill benefits earmarked for tuition and fees do not count as qualified payments for the purpose of federal education tax credits. For more information please see IRS Publication 970.

**Note:** for financial aid purposes, when need is calculated, Chapter 33 Veterans Affairs benefits are not considered a resource to the recipient (either as income or scholarship) nor are the VA benefits considered taxable income to the recipient. We recommend that students keep their Veterans Affairs education benefit documentation with their tax return information to show that the amount of Chapter 33 Veterans Affairs benefits reported in Box 5 is not a taxable scholarship.

### ***23. If my name is incorrect on my 1098T Tuition Statement, what should I do?***

If your name is incorrect on your 1098-T Tuition Statement and is not your official name according to the U.S. Social Security Administration and/or U.S. Internal Revenue Service, please report the error to your campus 1098-T Tuition Statement contact whose name and number appear on your 1098-T Tuition Statement. Your campus Records & Registration office may require additional documentation, such as your Social Security card, prior to updating your name in their database. Campuses should contact Tax Services to update the student's 1098-T Tuition Statement with the new information.

### ***24. I consented to electronic delivery but am no longer attending a Minnesota State College or University – how do I access my 1098-T ?***

Students retain access to their student e-Services accounts even when they are no longer actively attending a Minnesota State College or University.

To regain access, please contact the Minnesota State Help Desk at 1-877-466-6728 or by going to the Minnesota State Colleges and Universities StarID management web page at:

<https://starid.minnstate.edu/selfservice/recover/pw>.

### ***25. Are emergency fund grants included in Box 5 Scholarship & Grants of the 1098-T?***

Based on current guidance from the Internal Revenue Service, Minnesota State is not required to report emergency financial aid grants received under the CARES Act, CRRSA Act or the American Rescue Plan Act in Box 5, Scholarships/Grants of the student's 1098-T Tuition Statement.



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Exceptions to this guidance are when the COVID relief funds are used for vaccine incentive and online tuition refund awards – these are both are subject to 1098-T reporting.

For more information, please see the IRS website at:

<https://www.irs.gov/newsroom/higher-education-emergency-grants-frequently-asked-questions>

### ***26. Are tuition and other educational benefits that are provided by Tribes and reported on IRS Form 1098-T taxable?***

Tuition and other educational benefits provided by Indian tribes to tribal members under the Tribal General Welfare Exclusion Act of 2014 (the Act) are not taxable. To read the Act, go to [www.congress.gov](http://www.congress.gov) and search for “H.R.3043 - Tribal General Welfare Exclusion Act of 2014”.

Tribal students who receive a Form 1098-T that includes only educational benefits paid by the tribe should not include them on their federal income tax return. Tribal students who receive a Form 1098-T that includes both tribal and non-tribal payments should subtract the tribal payments from the total and only report the non-tribal payments on their federal income tax return.

For example, a tribal student attended a qualifying accredited educational institution and received a tribal scholarship of \$3,000 for tuition (nontaxable) and a \$5,000 grant administered by the Department of Education that requires them to use the funds to teach (taxable). For the calendar year, the student received a Form 1098-T from the institution for \$8,000. The tribal student should subtract the \$3,000 tribal funds from the \$8,000 amount and enter the \$5,000 difference in gross income when completing their income tax return. The \$3,000 tribal scholarship as general welfare is nontaxable and is not included on the student's return.

If you receive a letter from the tribe outlining the educational payments you received, save it with your tax records. Do not send a copy of that letter to the Internal Revenue Service.

Amounts you receive for a non-tribal scholarship or grant may still be eligible for educational credits under certain conditions. See [Publication 970, Tax Benefits for Education](#), and [Education Credits — AOTC and LLC](#) for more information on non-tribal scholarships and grants. Note that nontaxable funds (tribal scholarships) used to pay educational expenses cannot be used to compute any allowable education credit.

This information is from the Internal Revenue Service (IRS) website at:

<https://www.irs.gov/government-entities/tuition-and-other-educational-benefits-provided-by-tribes-form-1098-t>