

# IT'S TAX TIME



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There are two available tax **credits** for **education** expenses: the American Opportunity **Credit** (AOTC) and the Lifetime **Learning Credit** (LLC). You are eligible if you are a college student or have a dependent who is:

- enrolled at least half-time in a postsecondary **education** program leading to a degree, certificate or other recognized **educational** credential,
- for at least one academic period,
- at an **eligible educational** institution,
- during the **tax** year.

Below is a side-by-side comparison of the two Education Credits available so you can select the one that best applies to you, if you qualify. If you have post-secondary education you may qualify for some education benefits if you have eligible out-of-pocket expenses (i.e. tuition, required enrollment fees and course materials, etc.) and/or you received form 1098-T with your qualifying tuition and/or scholarship amount.

	<b>American Opportunity Credit</b>	<b>Lifetime Learning Credit</b>
<b>Maximum Credit</b>	Up to \$2,500 credit per eligible student	Up to \$2,000 credit per return
<b>Limit on Modified Adjusted Gross Income (MAGI)</b>	\$180,000 if married filing jointly; \$90,000 if filing Single, Head of Household, or Qualified Widow(er)	\$138,000 if married filing jointly; \$69,000 if filing Single, Head of Household, or Qualifying Widow(er)
<b>Refundable or Nonrefundable</b>	40% of credit may be refundable; the rest is nonrefundable	Nonrefundable - credit limited to the amount of tax you must pay on your taxable income
<b>Number of Years of Postsecondary Education</b>	Available ONLY if the student had not completed the first 4 years of postsecondary education before 2020	Available for all years of postsecondary education and courses to acquire or improve job skills
<b>Number of Tax Years Credit is Available</b>	Available ONLY for 4 tax years (including any year(s) Hope Credit was claimed)	Available for an unlimited number of tax years
	<b>American Opportunity Credit</b>	<b>Lifetime Learning Credit</b>



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Type of Program Required	Student must be pursuing a program leading to a degree or other recognized education credential	Student does not need to be pursuing a program leading to a degree or other recognized education credential
Number of Courses	Student must be enrolled at last half-time for at least one academic period beginning during 2020 (or the first 3 months of 2021, if the qualified expenses were paid in 2020)	Available for one or more courses
Felony Drug Conviction	As of the end of 2020, the student had not been convicted of a felony for possessing or distributing a controlled substance	Felony drug convictions do not make the student ineligible
Qualified Expenses	Tuition, required enrollment fees, and course materials that the student needs for a course of study whether or not the materials are bought at the educational institution as a condition of enrollment or attendance	Tuition and required enrollment fees (including amounts required to be paid to the institution for course-related books, supplies, and equipment)
Payments for Academic Periods	Payments made in 2020 for academic periods beginning in 2020 or beginning in the first 3 months of 2021	Payments made in 2020 for academic periods beginning in 2020 or beginning in the first 3 months of 2021
TIN Needed by Filing Due Date	Filers and students must have TIN by the due date of their 2020 return (including extensions)	



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