College Planning News

Providing Strategies To Make College An Affordable Reality

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CCPS
CERTIFIED COLLEGE PLANNING SPECIALIST

The Tuition Rx Program
"For Advisors Only"

- **Create a new niche market to sell your financial products!**
- **Add your picture and info on this newsletter and give it away to drip market on thousands of prospects!**
- **Use 'high college prices' to drive clients to your office!**
- **Get my expert coaching help for each client!**
- **Parents must borrow and invest for college - why shouldn't it be with you?**

Use this low-cost college

The American Opportunity Tax Credit

There are many education tax incentives that may be available to you if you are saving for or paying education costs. One of the newer tax credits that you may be able to claim is the American Opportunity Tax Credit (formerly known as the Hope tax credit). This tax credit allows you to claim up to $2,500 per year for four years of qualified education expenses paid for each eligible student. The American Opportunity Tax Credit is partially refundable. This means that the tax credit can reduce your tax to zero, but if the credit is more than your tax due then the excess can be refunded to you, up to a maximum refund of $1,000.

Who Can Claim the Credit?

Generally, you can claim the American Opportunity Tax Credit if all three of the following requirements are met:

- You pay "qualified" education expenses of higher education.
- You pay the qualified education expenses for an eligible student.
- The eligible student is either, 1) you, 2) your spouse, or 3) a dependent for whom you claim an exemption on your tax return.

Who Cannot Claim the Credit?

You cannot claim the American Opportunity Tax Credit if any of the following apply:

- Your filing status is married filing separately.
- You personally are listed as a dependent on another person's tax return (such as your parents').
- Your adjusted gross income (AGI) is $90,000 or more ($180,000 or more in the case of a joint return).
- You claim the lifetime learning credit or a tuition and fees deduction for the same student in the same year.

Education Expenses That Qualify

For purposes of the credit, qualified education expenses are tuition, fees, course materials, and certain related expenses required for enrollment or attendance at an eligible educational institution. The institution is required to make this allocation and provide you with the amount you paid (or were billed) for qualified education expenses on IRS Form 1098-T, Tuition Statement.

Education Expenses That Do Not Qualify

Qualified education expenses do not include amounts paid for:

- Insurance,
- Medical expenses (including student health fees),
- Room and board