

DELTA COLLEGE
2009 TUITION TAX BENEFIT INFORMATION

You or the payer of your tuition may be eligible for various federal tax benefits when filing personal federal income tax returns. The benefits are calculated based on qualified higher education tuition and related expenses paid for an eligible student who is either yourself, your spouse, or a dependent for whom you claim an exemption.

The College is required to submit a Form 1098-T to you and to the IRS. Box 2 of the form indicates total educational expenses billed to you during calendar year 2009. Please note that federal and state tax credits are available based on qualified expenses paid by you. The amount in box 2 may represent an amount other than the amount actually paid in 2009. To determine the amount of tax credit you may be eligible for, refer to your own records (tuition bills, registration statements, payment records, etc.) and the various tax publications and forms noted below.

A listing of tuition and fee amounts paid to Delta College by you or on your behalf during calendar year 2009 may be obtained at the Delta College Student Finance Office. A valid picture ID must be presented to obtain this information. Alternatively, you may request that a copy be mailed to you by calling 989-686-9333 and leaving your name, student ID number, current address, and telephone number. Keep Form 1098-T with your tax records. Do not file it with your tax return.

The College has provided links to various IRS and State of Michigan forms and publications on our website at <http://www.delta.edu/businessservices/finance/tuitiontaxbenefits.aspx>. You may obtain additional information and forms regarding federal tax credits on the IRS website at www.irs.gov, by contacting your local IRS office, by calling 1-800-TAX-FORM, or by calling the IRS at 1-800-829-1040.

For questions regarding your eligibility and other personal tax matters, please refer to your personal tax advisor. **The College is unable to provide personal tax assistance or advice.**

Following is general information regarding the most common tax credits.

Federal American Opportunity Tax Credit

- The American Recovery and Reinvestment Act of 2009 (ARRA) created the American Opportunity Tax Credit, temporarily replacing and modifying the Hope Tax Credit for tax years 2009 and 2010.
- Expenses paid may qualify for a credit of up to \$2,500 for the qualified tuition and related expenses (including textbooks) paid for each eligible student.
- The American Opportunity Tax Credit is only available for two taxable years (2009 and 2010) for each eligible student.
- An eligible student is one who:
 - Had not completed the first four years of postsecondary education as of the beginning of 2009.
 - Was enrolled in a program that leads to a degree, certificate, or other recognized education credential during 2009.
 - Was taking at least one-half of the normal full-time workload for the course of study for at least one academic period beginning in 2009 (full-time at Delta College is 12 credits).
 - Had not been convicted of a felony for possessing or distributing a controlled substance as of the end of 2009.

- The amount of the American Opportunity Tax Credit that may be claimed for 2009 is 100% of the first \$2,000 plus 25% of the next \$2,000 paid for each eligible student's qualified tuition, fees and course materials from January 1, 2009 to December 31, 2009.
- The credit is reduced for taxpayers with modified adjusted gross income (MAGI) ranging between \$80,000 and \$90,000 for single filers and between \$160,000 and \$180,000 for joint filers. The credit is not permitted for taxpayers with MAGI exceeding these ranges.

Federal Lifetime Learning Credit

- Total qualified education expenses (not including textbooks) paid for all eligible students enrolled in an eligible higher educational institution during the tax year may qualify for the Lifetime Learning Credit of up to \$2,000.
- Credit is allowed for one or more courses taken either as part of a postsecondary education program (undergraduate or graduate), or to acquire or improve job skills. The student need not be pursuing a degree or other recognized educational credential.
- There is no limit on the number of years the Lifetime Learning Credit can be claimed for each eligible student.
- The amount of the Lifetime Learning Credit is 20% of the first \$10,000 in qualified tuition and fees paid from January 1, 2009 to December 31, 2009 for all eligible students for which an exemption is claimed on the taxpayer's tax return, with a maximum of \$2,000 per return.
- The credit is reduced for taxpayers with modified adjusted gross income (MAGI) ranging between \$50,000 and \$60,000 for single filers and between \$100,000 and \$120,000 for joint filers. The credit is not permitted for taxpayers with MAGI exceeding these ranges.

Federal Tax Credits – General Information

- For each student, only one of either the American Opportunity Tax Credit or the Lifetime Learning Credit may be elected each tax year. No double benefit is allowed.
- Federal Credits are claimed by filing a federal personal income tax return and Form 8863.

Michigan College Tuition and Fees Credit

- A Michigan income tax credit is available for tuition and fees paid during the 2009 tax year on behalf of Delta College students working on an undergraduate degree or certificate. (Delta College is approved as code 0508.)
- To claim this credit, a taxpayer must:
 - Be a permanent resident of the State of Michigan at the time the tuition and fees were paid
 - Have adjusted gross income of \$200,000 or less for 2009
 - File a 2009 Michigan Individual Income Tax Return (Form MI-1040) and attach Schedule CT, 2009 Michigan College Tuition and Fees Credit
- The amount of the credit is limited to 8 percent of tuition and fees paid per student, with a maximum of \$375 per student per tax year.
- The credit may only be claimed for up to four years per student.
- Refer to **2009 MICHIGAN College Tuition and Fees Credit – Schedule CT**.