

DELTA COLLEGE
2008 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 2008. Please note that the Hope & Lifetime Education 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 2008. To determine the amount of tax credit you may be eligible for, refer to your own records (tuition bills, schedule receipts, payment records, etc.) and the IRS publications and forms listed below.

A listing of tuition and fee amounts paid to Delta College by you or on your behalf during calendar year 2008 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.

For information regarding federal education tax credits, please refer to **IRS Publication 970, Tax Benefits for Education**. This publication may be obtained from your local IRS office, from the IRS website at www.irs.gov or by calling 1-800-TAX-FORM. For questions regarding the federal tax credits, please call 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. For specific information, you must refer to the publications and forms listed above.

Federal Hope Credit

- Expenses paid may qualify for a credit of up to \$1,800 for the qualified tuition and related expenses paid for each eligible student.
- Credit may be claimed for only two taxable years for each eligible student.
- An eligible student:
 - Had not completed the first two years of postsecondary education as of the beginning of 2008.
 - Was enrolled in a program that leads to a degree, certificate, or other recognized education credential during 2008.
 - 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 2008 (full-time at Delta College is 12 credits).
 - Had not been convicted of a felony for possessing or distributing a controlled substance.
- The amount of the Hope Credit is 100% of the first \$1,200 plus 50% of the next \$1,200 paid for each eligible student's qualified tuition and fees from January 1, 2008 to December 31, 2008.

Federal Lifetime Learning Credit

- Expenses paid may qualify for a credit of up to \$2,000 for the total qualified tuition and related expenses paid for all eligible students during the tax year.
- 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 to the number of years for which the credit can be claimed.
- The amount of the credit does not change based on the number of students for whom tuition is paid.
- The amount of the Lifetime Learning Credit is 20% of the first \$10,000 in qualified tuition and fees paid for all eligible students in the family from January 1, 2008 to December 31, 2008 with a maximum of \$2,000 per return.

Federal Credits – General

- For each student, only one of either the Hope Credit or the Lifetime Learning Credit may be elected each tax year. No double benefit is allowed.
- Hope and Lifetime Learning Credits are phased out for modified adjusted gross income between \$48,000 and \$58,000 for single filers and between \$96,000 and \$116,000 for joint filers.
- 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 2008 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 2008
 - File a 2008 Michigan Individual Income Tax Return (Form MI-1040) and attach Schedule CT, 2008 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 **2008 MICHIGAN College Tuition and Fees Credit – Schedule CT**.