

Education Credits

As a community college student, you are eligible to receive education tax credits that can reduce the expense of your education. There are two education tax credits available, the **Hope Credit** and the **Lifetime Learning Credit**. The credits are based on education expenses paid for you, your spouse, or your dependents. During any particular year, you can claim only one of the credits for each student.

The amount of the credit is determined by the amount you pay for "qualified tuition and related expenses" for each student and the amount of your modified adjusted gross income (modified AGI).

Expenses that qualify are tuition and fees required for enrollment or attendance at an accredited college, university, vocational school, or other post-secondary educational institution that is eligible to participate in a student aid program administered by the Department of Education.

Qualified expenses do not include room and board, insurance, transportation, or other similar personal, living, or family expenses. Qualified expenses may include fees for books, supplies, and equipment only if the fees must be paid to the school for the student's enrollment or attendance. In addition, qualified expenses may include student activity fees if the fee must be paid to the school for the student's enrollment or attendance.

You can claim a **Hope Credit** only for an "eligible student." An "eligible student" is a student who:

1. As of the beginning of the year, has not completed the first two years of post-secondary education (that is, generally is a freshman or sophomore in college).
2. Is enrolled in a program that leads to a degree, certificate, or other recognized educational credential, for at least one academic period beginning during the year.
3. Is taking at least one-half of the normal full-time workload for the student's course of study for at least one academic period beginning during the calendar year, and
4. Is free of any federal or state felony conviction for possessing or distributing a controlled substance as of the end of the year.

You can claim a Hope Credit for only two tax years for each eligible student. An eligible student can be you, your spouse, or your dependent for whom you claim an exemption.

The **Lifetime Learning Credit** is not based on the student's workload. It is allowed for one or more courses that the student takes at an eligible educational institution. The credit is not limited to students in the first two years of post-secondary education. Expenses for graduate-level degree work are eligible. However, to be eligible for the credit, the student

must be taking course work in order to acquire or improve job skills. There is no limit on the number of tax years for which the Lifetime Learning credit can be claimed for each student. The amount you can claim as a credit does not vary (i.e., increase) based on the number of students for whom you pay qualified expenses.

Both the Hope Credit and Lifetime Learning Credit may be reduced, or eliminated, if your modified adjusted gross income exceeds certain limits, based on your filing status. You cannot claim either credit if you are married filing a separate return. The credit is claimed on [Form 8863](#) (PDF).

For answers to some frequently asked questions, refer to <http://www.irs.gov/faqs/faq-kw52.html> and for additional information on education credits, refer to [Publication 970](#), *Tax Benefits for Education*.