

Education Credits and Taxable Scholarships and Grants

Unless student is working towards a degree, certificate or other credential, the grants and scholarships are fully taxable, and this worksheet is not needed.	American Opportunity Credit (1st 4 yrs post-secondary school, min. 1/2 time, toward degree or certification, no felony drug convictions, only 4 tax yrs)	Lifetime Learning Credit (Qualified educational institution, towards a degree or certificate or to aquire job skills)	Tuition & Fees Adjustment (extended through 2016) (Qualified educational institution)																								
Tuition & fees (including any books and course material that you are required to buy from the school) + Required books (AOTC only) + Required course materials (AOTC only) = Total qualifying expenses A - Grants restricted to qualifying expenses B = Expenses less restricted grants (A - B) C Limit on expenses for the credit 4,000 D¹ Expenses for credit or adjustment (smaller of C or D) E - Unrestricted grants F = Net expenses after credit (C - E) not less than zero G Grants less net expenses (F - G) H Less required books etc not included above Taxable scholarship/grant	[Grid for American Opportunity Credit calculations with labels A through H and D ¹ limit]	[Grid for Lifetime Learning Credit calculations with labels A through H and D ² limit]	[Grid for Tuition & Fees Adjustment calculations with labels A through H and D ² limit]																								
Range of Alternatives Use \$2,000 toward AOC Maximize Credit Minimize AGI No more than this for taxable scholarship	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">AOC Exp (8863 Ln 27)</th> <th style="width: 50%;">Taxable Sch³</th> </tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </table>	AOC Exp (8863 Ln 27)	Taxable Sch ³							<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">LLTC Exp (8863 Ln 31)</th> <th style="width: 50%;">Taxable Sch³</th> </tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </table>	LLTC Exp (8863 Ln 31)	Taxable Sch ³							<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">T&F Adj.</th> <th style="width: 50%;">Taxable Sch³</th> </tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </table>	T&F Adj.	Taxable Sch ³						
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¹ Per student

² Per return. If more than one student is being claimed for LLTC or T&F, reduce limit for second student by amount used for first.

³ The taxable portion of a grant is taxable to the student even if someone else is claiming the credit.

	\$2k to AOTC	\$4k to AOTC	LLTC	T&F	Min. AGI	NRF
<u>Student's return</u>						
AGI						
Federal refund						
State refund						
Total refund						
<u>Parents' return</u>						
AGI						
Federal refund						
State refund						
Total refund						
TOTAL OF BOTH REFUNDS						