



# Students and parents

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## Why Form 1098-T is important to you?

**It helps you identify eligible college expenses for valuable education credits up to \$2,500. So, do not discard this form.**

### What are the education tax credits?

1. The AOTC, American Opportunity Tax Credit, can help pay for the first four years of college if you attend at least half-time. The credit provides up to **\$2,500** per student per year, or up to **\$10,000** over four years of education.
2. The LLC, Lifetime Learning Tax Credit, can help pay for any level of college or for education courses that advance or improve your job skills. The credit provides up to **\$2,000** per return per year.

### How do I claim one of these credits?

These tax credits are available to taxpayers who paid education expenses for themselves, their spouse or for their dependent. To claim a credit, you must file a Form 1040 or Form 1040-A federal tax return and complete Form 8863. Form 1098-T contains helpful information needed to complete Form 8863.

### Can I still claim education tax credits if I got a Pell Grant or other scholarship?

Most likely you can. Some students may be able to increase their credit by including some of the grant money in the student's income. Students with tuition expenses and Pell Grants or other scholarships should use the resources below to maximize their benefits.

Use the [Interactive Tax Assistant tool](#) on IRS.gov to see if you can claim the credit.

### Where can I learn more about these valuable tax credits for higher education?

Everything you need is online at [Education Credits](#).