

# Entering Education Benefits



TaxSlayer Navigation: Federal Section>Deductions>Credits Menu>Education Credits; or Keyword "8863"

## Form 8863 - Educational Credit

Select an Eligible Student

Sarah - 800-00-XXXX

Select the type of credit \*

American Opportunity

Lifetime Learning

Tuition and Fees Deduction

Qualified Expenses \*

Please ensure that you reduce the amount entered for "qualified expenses" by any scholarships / grants received, pursuant to [IRS Publication 970](#).

\$ 4,500

[Add Another Institution](#)

### Institution 1

Name \*

Clark University

Check here if foreign address

Address (street number & name) \*

150 Learning Drive

ZIP code \*

38101

City, town, or post office \*

Memphis

State \*

Tennessee

If the taxpayer was under age 24 at the end of the year and met the conditions as outlined in the student under age 24 chart in this tab, they can't take the refundable American opportunity credit.

**Note:** TaxSlayer will allow you to compare the education benefits and determine the largest refund using each benefit.

See determining qualified expenses page earlier in this tab.

For lifetime learning credit, course-related books, materials, and supplies are not included as qualified expenses unless paid directly to the institution as a condition of enrollment.

# Entering Education Benefits (continued)



TaxSlayer Navigation: Federal Section>Deductions>Credits Menu>Education Credits Form 1098-T; or Keyword "8863" or "1098-T"

Did the student receive Form 1098-T from this institution for 2020? \*

- Yes  
 No

Did the student receive Form 1098-T from this institution for 2019 with Box 2 filled in and Box 7 checked? \*

- Yes  
 No

Has the Hope Scholarship Credit or American Opportunity Credit already been claimed on 4 prior tax returns? \*

- Yes  
 No

Was the student enrolled at least half-time? \*

- Yes  
 No

Did the student complete the first 4 years of post-secondary education before 2020? \*

- Yes  
 No

Was the student convicted, before the end of 2020, of a felony for possession or distribution of a controlled substance? \*

- Yes  
 No

- Only the taxpayer is eligible to claim the credit if he or she claims the student as a dependent. Only the student is eligible if he or she isn't claimed as a dependent (even if he or she can be claimed) - no matter who pays.
- For the American opportunity credit only, qualified tuition and related expenses include books, supplies and equipment needed for the course, whether or not they were purchased from the institution as a condition of enrollment. Computers, however, can only be included IF they are a requirement for enrollment or attendance.

**Note:** See Disallowance of Certain Refundable Credits in Tab I, Earned Income Credit, if the taxpayer received a letter saying they had to complete Form 8862, Information To Claim Certain Credits After Disallowance.

**Note:** The following aren't qualifying expenses for education credits: room and board, insurance, medical, transportation, or personal expenses, even if the amount must be paid to the institution as a condition of enrollment or attendance. If the educational expenses are associated with sports, games, hobbies, or other noncredit courses, see Publication 970 for more information.

**Are you eligible for the refundable portion of the American Opportunity Credit? \***

Answer NO if 1, 2, & 3 apply to you:

1: You were:

- a) Under age 18 at the end of the year, or
- b) Age 18 at the end of the year and your earned income was less than one-half of your support, or
- c) A full-time student over age 18 and under 24 at the end of the year and your earned income was less than one-half of your support.

2: At least one of your parents was alive at the end of the year.

3: You are not filing a joint return for the year.

- Yes  
 No



If American opportunity credit is selected but the taxpayer is determined to be ineligible after answering qualifying questions, TaxSlayer will automatically change the credit to lifetime learning without changing the tax preparer's credit selection or any other warning.

**Note:** The bottom screenshot refers to students filing their own return.