

THE LIFETIME LEARNING CREDIT

The Lifetime Learning federal tax credit applies to qualified tuition and fees for undergraduate, graduate, and continuing education course work at an eligible education institution. Individual courses such as continuing educational professional education (CPE) or other skills related courses designed to provide or improve job skills are eligible. A student is not required to be enrolled half time or more to be eligible for the tax credit.

A taxpayer can claim a credit equal to 20 percent of \$5,000 of qualified education expenses for the taxpayer, his or her spouse, or dependent children. The maximum credit is \$1,000 per family, not per student. The amount of the credit is reduced by grants, scholarships, and other tax-free educational assistance.

An eligible taxpayer must file a federal tax return and owe taxes to claim the credit. The taxpayer must claim the student as a dependent. The student may claim the credit if no other taxpayer lists him or her as a dependent. The taxpayer is eligible for the maximum credit with an Adjusted Gross Income (AGI) of up to \$40,000 for a single filer (\$80,000) married.

The summary available on dawgs.umwestern.edu is provided for information purposes only. University employees will not provide detailed advice to taxpayers. Taxpayers are advised to seek assistance from a qualified tax consultant regarding which charges may be claimed as a credit and which financial aid must be reported as an offset to the credit. Additional information may be obtained by calling the IRS at 1-800-TAX-1040 requesting Publication 970, or at the following web sites:

<http://www.ed.gov/inits/hope>

http://www.irs.ustreas.gov/prod/forms_pubs/forms.html

<http://www.ed.gov/budget19791tax.html>