

## **2007 Form 8917 Tuition and Fees Deduction**

**Purpose:** This is the first circulated draft of Form 8917 for your review and comments. See below for a description of major changes.

**TPCC Meeting:** There is no meeting scheduled, but you may request one.

**Other Products:** Circulations of draft tax forms, instructions, notices, and publications are posted at:

[http://taxforms.web.irs.gov/draft\\_products.html](http://taxforms.web.irs.gov/draft_products.html)

**Comments:** Please email, fax, call, or mail any comments by **May 25, 2007**.

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### **Description of Major Changes**

- 1. This is a new form we are creating in response to a request by TIGTA to capture applicable information for the tuition and fees deduction to ensure compliance and promote simplicity and fairness. It is based on the worksheet that was a part of the 2005 Form 1040 instructions and the changes listed below refer to that worksheet. This form is based on IRC 222, recently extended by PL 109-432, sec. 101.**
- 2. We added line 1, columns (a) through (c) to capture pertinent information about the student as a result of the TIGTA request.**
- 3. The year and line number references were updated throughout.**

# Tuition and Fees Deduction

▶ See Instructions.

▶ Attach to Form 1040 or Form 1040A.

Name(s) shown on return

Your social security number

**Caution:** You *cannot* take both an education credit and the tuition and fees deduction (Form 1040, line 34, or Form 1040A, line 19) for the **same student** in the same year.

**Before you begin:**

- ✓ Figure any write-in adjustments to be entered on the dotted line next to Form 1040, line 36 (see the Form 1040 instructions for line 36).
- ✓ If you file Form 2555, 2555-EZ, or 4563, or you exclude income from sources within Puerto Rico, use the worksheet in Pub. 970 to figure your entry on line 5 below. Do not complete lines 3 and 4.

1	(a) Student's name (as shown on page 1 of your tax return)	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions)
	First name                      Last name		
2 Add the amounts on line 1, column (c), and enter the total . . . . .			<b>2</b>
3 Enter the amount from Form 1040, line 22, or Form 1040A, line 15			<b>3</b>
4 Enter the total from either: ● Form 1040, lines 23 through 33, plus any write-in adjustments entered on the dotted line next to Form 1040, line 36, <b>or</b> ● Form 1040A, lines 16 through 18 . . . . .			<b>4</b>
5 Subtract line 4 from line 3.* If the result is more than \$80,000 (\$160,000 if married filing jointly), <b>stop</b> ; you cannot take the deduction for tuition and fees . . . . .			<b>5</b>
6 <b>Tuition and fees deduction.</b> Is the amount on line 5 more than \$65,000 (\$130,000 if married filing jointly)?			<b>6</b>
<input type="checkbox"/> <b>Yes.</b> Enter the amount from line 2, but <b>do not</b> enter more than \$2,000. Also enter this amount on Form 1040, line 34, or Form 1040A, line 19.			}
<input type="checkbox"/> <b>No.</b> Enter the amount from line 2, but <b>do not</b> enter more than \$4,000. Also enter this amount on Form 1040, line 34, or Form 1040A, line 19.			

\*If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 970 for the amount to enter.

Section references are to the Internal Revenue Code unless otherwise noted.

## General Instructions

### Purpose of Form

Use Form 8917 to figure and take the deduction for tuition and fees expenses in 2007.

This deduction is based on qualified education expenses paid to an eligible postsecondary educational institution. See *What Expenses Qualify*, later, for more information.

### Who Can Take the Deduction

You may be able to take the deduction if you, your spouse, or a dependent you claim on your tax return was a student enrolled at or attending an eligible educational institution. The deduction is based on the amount of qualified education expenses you paid for the student in 2007 for academic periods beginning in 2007 and the first 3 months of 2008.



*Qualified education expenses must be reduced by any expenses paid directly or indirectly using tax-free educational assistance. See Adjustments to qualified education expenses.*

Generally, in order to claim the deduction for qualified education expenses for a dependent, you must have paid the expenses and must claim an exemption for the student as a dependent (line 6c of Form 1040 or 1040A). For additional information, see Pub. 970, Tax Benefits for Education.

You cannot claim the tuition and fees deduction if any of the following apply.

- Your filing status is married filing separately.
- Another person can claim an exemption for you as a dependent on his or her tax return. You cannot take the deduction even if the other person does not actually claim that exemption.
- Your modified adjusted gross income (MAGI) is more than \$80,000 (\$160,000 if filing a joint return).
- You were a nonresident alien for any part of the year and did not elect to be treated as a resident alien for tax purposes. More information on nonresident aliens can be found in Publication 519, U.S. Tax Guide for Aliens.
- You or anyone else claims a Hope or lifetime learning credit in 2007 with respect to expenses of the student for whom the qualified education expenses were paid.

## What Expenses Qualify

**Qualified education expenses.** For purposes of the tuition and fees deduction, qualified education expenses are tuition and certain related expenses required for enrollment or attendance at an eligible educational institution. It does not matter whether the expenses were paid in cash, by check, by credit card, or with borrowed funds.

Qualified education expenses do not include amounts paid for:

- Room and board, insurance, medical expenses (including student health fees), transportation, or other similar personal, living, or family expenses.
- Any course or other education involving sports, games, or hobbies, or any noncredit course, unless such course or other education is part of the student's degree program.

You should receive Form 1098-T, Tuition Statement, from the college or university reporting either payments received in box 1 or amounts billed in box 2. However, the amounts in boxes 1 and 2 of Form 1098-T may be different than what you actually paid. On Form 8917, line 1, enter only the amounts you paid in 2007 for qualified expenses.

If you or the student take a deduction for higher education expenses, such as on Schedule A or Schedule C (Form 1040), you cannot use those expenses when figuring your tuition and fees deduction.



*Any qualified expenses used to figure this deduction cannot be taken into account in determining the amount of a distribution from a Coverdell ESA or a qualified tuition program that is excluded from gross income.*

**Eligible educational institution.** An eligible educational institution is any college, university, vocational school, or other postsecondary educational institution eligible to participate in a student aid program administered by the Department of Education. It includes virtually all accredited public, nonprofit, and proprietary (privately owned profit-making) postsecondary institutions. The educational institution should be able to tell you if it is an eligible educational institution.

Certain educational institutions located outside the United States also participate in the U.S. Department of Education's Federal Student Aid (FSA) programs.

**Adjustments to qualified education expenses.** If you pay qualified education expenses with certain tax-free funds, you cannot claim a deduction for those amounts. You must reduce the qualified education expenses by the amount of any tax-free educational assistance and refund(s) you received. This includes a tax-free scholarship or Pell grant or tax-free employer-provided educational assistance.

If you receive a refund or tax-free assistance after you file your return for the year in which the expenses were paid, you will not be able to reduce your qualified expenses before figuring the deduction. Instead, you may have to repay all or part of the deduction. See Pub. 970 for specific information.

## Who Is an Eligible Student

For purposes of the tuition and fees deduction, an eligible student is a student who is enrolled in one or more courses at an eligible educational institution (as defined under *Qualified Education Expenses*, earlier). The student must have either a high school diploma or a General Educational Development (GED) credential.

## More Information

See Pub. 970, Tax Benefits for Education, for more information about this deduction.

## Specific Instructions

### Line 1

Complete columns (a) through (c) on line 1 for each student who qualifies for and for whom you elect to take the tuition and fees deduction.

**Note.** If you have more than three students who qualify for the tuition and fees deduction, enter "See attached" next to line 1 and attach a statement with the required information for each additional student. Include the amounts from line 1, column (c), for all students in the total you enter on line 2.

### Column (c)

For each student, enter the amount of qualified education expenses remaining after reduction by certain tax-free amounts and refunds, as explained earlier. The expenses must have been paid for the student in 2007 for academic periods beginning after 2006 but before April 1, 2008.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

