Form **8818**

(Rev. December 2007)

Department of the Treasury
Internal Revenue Service

Optional Form To Record Redemption of Series EE and I U.S. Savings Bonds Issued After 1989

(For Individuals With Qualified Higher Education Expenses)

▶ **Keep for your records. Do not send to the IRS.**
▶ **See instructions on back.**

OMB No. 1545-0074

Name	Date cashed

Part I Paper Series EE Bonds

1 (a) Serial number	(b) Issue date (must be after 1989)	(c) Face value

2 Add the amounts in column (c) of line 1	**2**	
3 Multiply line 2 by 50% (.50). This is your cost of the paper series EE bonds cashed .	**3**	
Next: If you also cashed series I bonds or electronic series EE bonds, go to Part II. Otherwise, skip Part II and go to Part III.		

Part II Series I Bonds and Electronic Series EE Bonds

4 (a) Serial number	(b) Issue date (must be after 1989)	(c) Face value

5 Add the amounts in column (c) of line 4. This is your cost of the series I bonds and electronic series EE bonds cashed	**5**	

Part III Total Redemption Proceeds and Interest

6 Total redemption proceeds from the bonds listed in Parts I and II. Be sure to get this figure from the teller when you cash the bonds	**6**	
7 Add lines 3 and 5. This is your total cost of the bonds listed in Parts I and II . . .	**7**	
8 Subtract line 7 from line 6. This is the total interest on the bonds listed in Parts I and II	**8**	

General Instructions

Purpose of Form

If you cashed series EE or series I U.S. savings bonds that were issued after 1989 and you paid qualified higher education expenses during the year, you may be able to exclude from income part or all the interest on those bonds.

Use Form 8818 to keep a record of the post-1989 series EE and I bonds you cash. You will need the information on this form to complete Form 8815, Exclusion of Interest From Series EE and I U.S. Savings Bonds Issued After 1989. Form 8815 is used to figure the amount of interest you can exclude from your income when you file your income tax return. The instructions for your tax return will tell you how to take the exclusion.

Use a separate Form 8818 each time you cash series EE or series I bonds issued after 1989. If you choose not to use Form 8818 but intend to exclude the interest from your income, you should keep records that include the information asked for on this form.

Bonds That Qualify for Exclusion

To qualify for the exclusion, the bonds must have been issued after 1989 in your name, or, if you are married, they may be issued in your name and your spouse's name. It does not matter who bought the bonds. Also, you must have been age 24 or older before the bonds were issued. A bond bought by a parent and issued in the name of his or her child who is under age 24 will not qualify for the exclusion by the parent or the child. Generally, the interest on the bond will be taxed at the child's rate once the child reaches age 18. Prior to reaching age 18, the interest may be taxed at the parent's or the child's rate depending on the total amount of the child's investment income (for example, interest and dividends).

Note. Interest on U.S. savings bonds is exempt from state and local income taxes.

Qualified Higher Education Expenses

Qualified higher education expenses include tuition and fees, but not room and board, required for the enrollment or attendance at a college, university, or vocational school. Qualified expenses also include contributions to a qualified tuition program or to a Coverdell education savings account. The expenses must be for you, your spouse, or your dependent.

Additional Information

For more details about the exclusion, including limits that apply to the amount you may exclude, see Pub. 550, Investment Income and Expenses, or Pub. 970, Tax Benefits for Education.

Specific Instructions

Note. Before you cash your series EE bonds, separate the bonds issued after 1989 from the bonds issued before 1990.

Line 1

For each paper series EE bond issued after 1989, enter the correct information for columns (a), (b), and (c) of line 1.

Line 4

For each series I bond and electronic series EE bond issued after 1989, enter the correct information for columns (a), (b), and (c) of line 4. Include post-1989 series EE bonds converted from paper to electronic bonds. Do not include them in Part I.

Line 8

You may be able to exclude this interest from your income. See Form 8815 for details.

Note. Keep Form 8818 for your records. Do not send it to the IRS.