Note: *The draft you are looking for begins on the next page.*

Caution: DRAFT—NOT FOR FILING

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms.** We incorporate all significant changes to forms posted with this coversheet.

However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of the form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and publications usually have some additional changes before their final release. Early release drafts are posted at IRS.gov/DraftForms and remain there after the final release is posted at IRS.gov/LatestForms. Also see IRS.gov/Forms.

Most forms and publications have a page on IRS.gov: IRS.gov/Form1040 for Form 1040; IRS.gov/Pub501 for Pub. 501; IRS.gov/W4 for Form W-4; and IRS.gov/ScheduleA for Schedule A (Form 1040), for example, and similarly for other forms, publications, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or publications at IRS.gov/FormsComments. Include "NTF" followed by the form or publication number (for example, "NTF1040", "NTFW4", "NTF501", etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each "NTF" message.

If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more information, click here.

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2027

Instructions for Forms 1098-E and 1098-T

Student Loan Interest Statement and Tuition Statement

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

Future Developments

For the latest information about developments related to Forms 1098-E and 1098-T and their instructions, such as legislation enacted after they were published, go to *IRS.gov/Form1098E* or *IRS.gov/Form1098T*.

You can get Pub. 1099, General Instructions for Certain Information Returns, at *IRS.gov/Pub1099*.

Reminders

General instructions. In addition to these specific instructions, you should also use Pub. 1099. Those general instructions include information about the following topics.

- Who must file.
- When and where to file.
- Electronic reporting.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers (TINs).
- Backup withholding.
- Penalties.
- Other general topics.

Online fillable Copy B. To ease statement furnishing requirements, Copy B of Forms 1098-E and 1098-T is fillable online in a PDF format, available at *IRS.gov/Form1098E* or *IRS.gov/Form1098T*. You can complete these copies online for furnishing statements to recipients.

Address fields. For the Filer's, Student's, Recipient's, and Borrower's information, we separated the address fields into individual entry boxes.

E-filing returns. The Taxpayer First Act of 2019 authorized the Department of the Treasury and the IRS to issue regulations that reduce the 250-return e-file threshold. T.D. 9972, published February 23, 2023, lowered the e-file threshold to 10 (calculated by aggregating all information returns), effective for information returns required to be filed on or after January 1, 2024. Go to *IRS.gov/InfoReturn* for e-file options.

Information Returns Intake System (IRIS). The IRS has developed IRIS, an online portal for e-filing information returns. Go to *IRS.gov/IRIS* for additional information.

Form W-9S. You may use Form W-9S, Request for Student's or Borrower's Taxpayer Identification Number and Certification, to obtain the student's or borrower's name, address, TIN, and student loan certification to be used when filing Form 1098-E or 1098-T. Use of Form W-9S is optional; you may collect the information using your own forms, such as admission or enrollment forms, or financial aid applications. You may collect the student's or borrower's information on paper or electronically.

Electronic submission of Form W-9S. An educational institution, insurer, or lender may establish a system for students and borrowers to submit Form W-9S electronically, including by fax. Generally, the electronic system must:

1. Ensure the information received is the information sent and document all occasions of user access that result in the submission,
2. Make reasonably certain the person accessing the system and submitting the form is the person identified on Form W-9S,
3. Provide you with the same information as the paper Form W-9S, and
4. Be able to supply a hard copy of the electronic Form W-9S if the IRS requests it.

Also, if an electronic Form W-9S is used to obtain the borrower's certification that all the loan proceeds are used solely to pay qualified higher education expenses, your electronic system must require, as the final entry in the submission, an electronic signature by the borrower whose name is on Form W-9S. The signature authenticates and verifies the submission. See Announcement 98-27, which is on page 30 of Internal Revenue Bulletin 1998-15 at *IRS.gov/pub/irs-irbs/irb98-15.pdf*.

Specific Instructions for Form 1098-E

File Form 1098-E, Student Loan Interest Statement, if you receive student loan interest of $600 or more from an individual during the year in the course of your trade or business.

The $600 threshold applies to each borrower regardless of the number of student loans obtained by that borrower. However, you may file a separate Form 1098-E for each student loan of the borrower, or you may file one Form 1098-E for the interest from all student loans of the borrower.

Who must file. File Form 1098-E if you are a financial institution, a governmental unit (or any of its subsidiary agencies), an educational institution, or any other person who receives student loan interest of $600 or more from an individual during the year in the course of your trade or business.

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If more than one person has a connection with the loan, only the first person to receive the interest payment must file Form 1098-E. For example, a loan service or collection agent receiving payments on behalf of the lender must file.

Qualified student loan. To be reportable for 2027, a student loan must be either:

- Subsidized, guaranteed, financed, or otherwise treated as a student loan under a program of the federal, state, or local government, or of a postsecondary educational institution; or
- Certified by the borrower as a student loan incurred solely to pay qualified higher education expenses. You may use Form W-9S to obtain the certification.

Revolving accounts. Report interest paid on revolving accounts, such as credit card accounts, only if the borrower certifies that all the loan proceeds are solely used to pay qualified higher education expenses. You do not have to verify the borrower's actual use of the funds. Do not report interest on mixed-use loans.

Loans under qualified plans. Do not report interest on loans made under a qualified employer plan, as defined in section 72(p)(4), or under a contract purchased under a qualified employer plan within the meaning of section 72(p)(5).

Additional information. For more information about reporting student loan interest, see Regulations section 1.6050S-3.

Statements to borrowers. If you are required to file Form 1098-E, you must provide a statement or acceptable substitute, on paper or electronically, to the borrower. For more information about the requirements to furnish a statement to the borrower, see part M in the current Pub. 1099.

Electronic delivery of Form 1098-E. Educational institutions, insurers, and lenders may present the option to consent to receive Form 1098-E electronically as part of a global "Consent To Do Business Electronically," combining consent for electronic delivery of Form 1098-E with other institutional student business functions such as admissions, registration, billings, and direct deposits.

The global consent process must meet all the consent, disclosure, format, notice, and access-period requirements for electronic furnishing of Forms 1098-E in accordance with the applicable regulations. For more information about the requirements to furnish a statement to each student, see part M in the current Pub. 1099.

Truncating borrower's TIN on payee statements. Pursuant to Regulations section 301.6109-4, all filers of Form 1098-E may truncate a borrower's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A recipient's/lender's TIN may not be truncated on any form. See part J in the current Pub. 1099.

Recipient's/lender's name, address, and telephone number boxes. Enter the name, address, and telephone number of the filer of Form 1098-E. Use this same name and address on Form 1096, Annual Summary and Transmittal of U.S. Information Returns.

Country. For a list of country codes, go to *IRS.gov/CountryCodes*.

Account number. The account number is required if you have multiple accounts for a recipient for whom you are filing more than one Form 1098-E. Additionally, the IRS encourages you to designate an account number for all Forms 1098-E that you file. See part L in the current Pub. 1099.

Box 1. Student Loan Interest Received by Lender

Enter the interest you received on a student loan(s) during the calendar year. For loans made on or after September 1, 2004, you are required to include in box 1 payments of interest as described in Regulations section 1.221-1(f). Under that regulation, interest includes capitalized interest and loan origination fees that represent charges for the use or forbearance of money. See Regulations section 1.221-1(f).

Box 2. Checkbox

Check this box if loan origination fees and/or capitalized interest are not reported in box 1 for loans made before September 1, 2004.

Specific Instructions for Form 1098-T

File Form 1098-T, Tuition Statement, if you are an eligible educational institution. You must file for each student you enroll and for whom a reportable transaction is made. Also, if you are an insurer, file Form 1098-T for each individual to whom you made reimbursements or refunds of qualified tuition and related expenses.

Exceptions. You do not have to file Form 1098-T or furnish a statement for:

- Courses for which no academic credit is offered, even if the student is otherwise enrolled in a degree program;
- Nonresident alien students, unless requested by the student;
- Students whose qualified tuition and related expenses are entirely waived or paid entirely with scholarships; and
- Students for whom you do not maintain a separate financial account and whose qualified tuition and related expenses are covered by a formal billing arrangement between an institution and the student's employer or a governmental entity, such as the Department of Veterans Affairs or the Department of Defense.

Who must file. You must file Form 1098-T if you are an eligible educational institution. An eligible educational institution that is a governmental unit, or an agency or instrumentality of a governmental unit, is subject to the reporting requirements of Form 1098-T. A designated officer or employee of the governmental entity must satisfy the reporting requirements of Form 1098-T.

If another person receives or collects payments of qualified tuition and related expenses on your behalf, the other person must file Form 1098-T. However, if the other person does not possess the information necessary to comply with the reporting requirements of Form 1098-T,

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then you must satisfy the reporting requirements of Form 1098-T.

Also, if you are an insurer engaged in a trade or business of making refunds or reimbursements of qualified tuition and related expenses, you are required to file Form 1098-T. See the instructions for box 10, later.

Eligible educational institution. An eligible educational institution is a college, university, vocational school, or other postsecondary educational institution that is described in section 481 of the Higher Education Act of 1965, as in effect on August 5, 1997, and that is eligible to participate in the Department of Education's student aid programs. This includes most accredited public, nonprofit, and private postsecondary institutions.

Qualified tuition and related expenses. Qualified tuition and related expenses are tuition, fees, and course materials required for a student to be enrolled at or attend an eligible educational institution.

The following are **not** qualified tuition and related expenses.

- Amounts paid for any course or other education involving sports, games, or hobbies, unless the course or other education is part of the student's degree program or is taken to acquire or improve job skills.
- Charges and fees for room, board, insurance, medical expenses (including student health fees), transportation, and similar personal, living, or family expenses.

Academic credit. Academic credit is credit awarded by an eligible educational institution for the completion of course work leading to a postsecondary degree, certificate, or other recognized postsecondary educational credential.

Example. Sarah, a medical doctor, takes a course at University X's medical school. Sarah takes the course to fulfill Montana's licensing requirement that medical doctors attend continuing medical education courses each year. Sarah is not enrolled in a degree program at University X and takes the medical course through University X's continuing professional education program. University X does not award Sarah credit toward a postsecondary degree on an academic transcript for the completion of the course but gives Sarah a certificate of attendance upon completion. University X is not required to file Form 1098-T for the course taken by Sarah.

Academic period. You must file Form 1098-T for each student who is enrolled in your institution for any academic period (for example, semester, trimester, or quarter) in 2027, but see *Exceptions*, earlier. Determine your enrollment for each period under your own rules or use one of the following dates.

- 30 days after the first day of the academic period.
- A date during the period when enrollment data must be collected for purposes of the Integrated Post Secondary Education Data System administered by the Department of Education.
- A date during the period when you must report enrollment data to the state, to your governing board, or to some other external governing body.

Additional information. For more information about reporting on Form 1098-T, see Regulations section 1.6050S-1. Also see Notice 2006-72, 2006-36 I.R.B. 363, available at *IRS.gov/irb/2006-36_IRB#NOT-2006-72*, for guidance in a question-and-answer format on the information reporting requirements for Form 1098-T.

Statements to students. If you are required to file Form 1098-T, you must furnish a statement or acceptable substitute, on paper or electronically, to the student.

Electronic delivery of Form 1098-T. Educational institutions may present the option to consent to receive Form 1098-T electronically as part of a global "Consent To Do Business Electronically," combining consent for electronic delivery of Form 1098-T with other institutional student business functions such as admissions, registration, billings, and direct deposits.

The global consent process must meet all the consent, disclosure, format, notice, and access-period requirements for electronic furnishing of Forms 1098-T as required by paragraphs (a)(2) through (6) of Regulations section 1.6050S-2. For more information about the requirements to furnish a statement to each student, see part M in the current Pub. 1099.

Truncating student's TIN on payee statements. Pursuant to Regulations section 301.6109-4, all filers of Form 1098-T may truncate a student's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A filer's TIN may not be truncated on any form. See part J in the current Pub. 1099.

Student's TIN and checkbox. Enter the student's TIN, as provided to you on Form W-9S, Request for Student's or Borrower's Taxpayer Identification Number and Certification, or other form. If you solicited the student's TIN in writing (Form W-9S or other form) for the current year, check the box. Also check the box if you obtained the student's TIN in a prior year by making a solicitation in writing (Form W-9S or other form) or you obtained the student's TIN in a prior year from his or her financial aid application or other form and in either case have no reason to believe the TIN previously obtained is incorrect. Check the box if the institution is filing the Form 1098-T with nothing in the field for the student's TIN because the institution has no record of a TIN, but only if you made a written solicitation for the TIN on or before December 31 of the year for which you are filing the Form 1098-T. By checking the box and filing Form 1098-T with the IRS (for electronic filers), you certify under penalties of perjury that you have in good faith complied with the standards in Regulations section 1.6050S-1 governing the time and manner of soliciting the TIN of the student. Filers who transmit paper forms to the IRS will make such certification by signing Form 1096 in conjunction with filing the returns with the boxes checked in the fields designated for the student's TIN.

Student's address. In the student's address boxes of Form 1098-T, enter the student's permanent address. That is, enter the student's home or other long-term address where he or she can receive forwarded mail. You may

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use a temporary address only if you do not know the permanent address.

Information contact and service provider. You must provide your name, address, and telephone number. In addition, you may include information on a third-party service provider who filed the form or who may answer questions about the statement. Enter the service provider's information in the box below the student's name and address.

Caution: You must provide the telephone number for the information contact at the institution. Generally, this is an administrative office or department. Do not provide the institution's general telephone number.

Country. For a list of country codes, go to *IRS.gov/CountryCodes*.

Account number. The account number is required if you have multiple accounts for a recipient for whom you are filing more than one Form 1098-T. Additionally, the IRS encourages you to designate an account number for all Forms 1098-T that you file. See part L in the current Pub. 1099.

Box 1. Payments Received for Qualified Tuition and Related Expenses

Enter the total amount of payments received for qualified tuition and related expenses from all sources during the calendar year. The amount reported is the total amount of payments received less any reimbursements or refunds made during the calendar year that relate to the payments received for qualified tuition and related expenses during the same calendar year. The amount reported is not reduced by scholarships and grants reported in box 5. Include in this box the receipt of a payment of past-due qualified tuition or related expenses from a previous calendar year, but only if the educational institution previously billed the student for such amount(s).

Box 4. Adjustments Made for a Prior Year

Payments received. Enter reimbursements or refunds of qualified tuition and related expenses made in 2027 that relate to payments received that were reported for any prior year after 2002.

Amounts billed. Enter any reductions in charges for qualified tuition and related expenses made during the calendar year that relate to amounts billed that were reported for any prior year after 2002.

These requirements also apply to an adjustment in connection with a nonresident alien for which the educational institution filed and furnished a Form 1098-T for the prior year.

Box 5. Scholarships or Grants

Enter the total amount of any scholarships or grants that you administered and processed during the calendar year for the payment of the student's costs of attendance. Scholarships and grants generally include all payments received from third parties (excluding family members and loan proceeds). This includes payments received from governmental and private entities such as the Department of Veterans Affairs, the Department of Defense, civic and religious organizations, and nonprofit entities. However, see *Exceptions*, earlier.

A scholarship or grant is administered and processed by you if you receive payment of an amount, whether by check, cash, electronic transfer, or other means, and such payment is designated as a grant or a scholarship by the payor, or the circumstances make it clear that the payment is a grant or scholarship. A Pell Grant is an example of a grant administered and processed by a college or university in all cases.

Box 6. Adjustments to Scholarships or Grants for a Prior Year

Enter the amount of any reduction to the amount of scholarships or grants that were reported for any prior year after 2002.

Box 7. Checkbox for Amounts for an Academic Period Beginning in January Through March of 2028

Check this box if any payments received for qualified tuition and related expenses reported for 2027 relate to an academic period that begins in January through March of 2028.

Box 8. Check if at Least Half-Time Student

Check this box if the student was at least a half-time student during any academic period that began in 2027. A half-time student is a student enrolled for at least half the full-time academic workload for the course of study the student is pursuing. Your institution's standard for a half-time student workload must equal or exceed the standards established by the Department of Education under the Higher Education Act and set forth in 34 CFR section 668.2(b).

Box 9. Check if a Graduate Student

Check this box if the student was a graduate student. The student is a graduate student if the student was enrolled in a program or programs leading to a graduate-level degree, graduate-level certificate, or other recognized graduate-level educational credential.

Box 10. Insurance Contract Reimbursements or Refunds

If you are an insurer, enter the total amount of reimbursements or refunds of qualified tuition and related expenses that you made to the student during 2027.

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