

Taxpayer Relief Act of 1997

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In 1997, the United States Congress passed The Federal Tax Relief Act. This ACT may provide an opportunity for tax savings through the [Hope Tax Credit](#) and [Lifetime Learning Tax Credit](#) and the [Student Loan Interest Deduction](#). The Hope Tax Credit is a maximum \$1,650 tax credit which is available for students in either the first or second year of post-secondary education when the tax year begins. The student must be enrolled at least half-time and only qualified expenses incurred are eligible. The Lifetime Learning Credit is calculated on a per-family, rather than a per-student basis and the maximum credit is \$4,000 per year for each qualifying family.

The Internal Revenue Service requires all eligible educational institutions to report the amount billed for qualified tuition and related expenses during the calendar year for individuals enrolled for any academic period with this year. Qualified Tuition and Related Expenses are defined as tuition and fees an individual is required to pay for enrollment or attendance at an eligible educational institution. For purposes of the Hope Tax Credit and the Lifetime Learning Credit, they do not include books, room and board, student activities, athletics (unless the course is part of the student's degree program), insurance, equipment, transportation fees, or other personal, living or family expenses.

During the early part of February, the IRS [1098-T form](#) and a Tuition Payment Statement will be mailed to students who were enrolled at the University of Tennessee for at least half time during the calendar year. The 1098-T form will state whether the student was enrolled at least half time for one semester during the calendar year, whether the student was exclusively a professional student and the amount billed to the student. You may also obtain this information at a website to be announced at a later date.

If you feel you qualify for the tax credit, and did not keep copies of your receipts or statements, copies may be obtained by logging on to the web at <https://web.dii.utk.edu/bursar1098/login.aspx>.

Please make certain that your permanent address is correct to ensure prompt receipt of this important tax information. Permanent address changes can be made on the UT Health Science Center Home Page by clicking on iLogin (NetID and password required) student information system or you may contact the Registrar's Office.

For tax advice, please consult with your tax advisor, a CPA, or the IRS. For further information, you may call the IRS at 1-800-829-1040 or read more at <http://www.irs.gov>.

Student Loan Interest Deduction

Beginning January 1, 1998, taxpayers who have taken loans to pay the cost of attending an eligible educational institution for themselves, their spouse, or their dependent(s) generally may deduct interest they pay on these student loans. The maximum deduction each taxpayer is permitted to take increases from \$1,000 in 1998, to \$1,500 in 1999, \$2,000 in 2000, and \$2,500 in 2001 and thereafter.