

Office of Student Accounts Northwestern University  
555 Clark Street  
Evanston, Illinois 60208-1221

studentaccounts-ev@northwestern.edu  
Phone 847-491-5224  
Fax 847-467-2451



NORTHWESTERN  
UNIVERSITY

January 2009

Dear Student:

There are several tax benefits that assist students and families in the financing of a college education. The Taxpayer Relief Act of 1997 (TRA97) contains several provisions that you (or the person claiming you as a dependent) may be eligible for such as a Hope Scholarship or Lifetime Learning tax credit. Alternately, you may be eligible for a tuition deduction. The enclosed 1098-T Tuition Payments Statement includes financial information, such as tuition charges, scholarships received and payments made, which you may need for the filing of either of these education credits or the tuition deduction.

The Hope Scholarship Tax Credit allows taxpayers to claim a tax credit of up to \$1,800 per eligible student for each year of a student's first two years of postsecondary education. The tax credit is based upon student enrollment, adjusted gross income, tuition paid and grants received. The Lifetime Learning Credit allows taxpayers up to a maximum \$2,000 tax credit per return. Again, this tax credit is based upon adjusted gross income, tuition paid and grants received. The tuition deduction allows for a reduction of income subject to tax by up to \$4,000. You may wish to contact your tax professional or the IRS for more specific information and qualifications.

### **Additional Information Sources**

IRS Publication 970 *Tax Benefits for Higher Education* provides guidance for Hope and Lifetime Learning Credits and the tuition deduction. Explanations of other education tax benefits like Coverdell Education Savings Accounts and the Education Savings Bond program are in the publication also. You can view the publication on the web at <http://www.unclefed.com/IRS-Forms/2008/index.html>. You can also view and print IRS Form 8863 *Education Credits* at this web site. You may wish to contact your tax professional or the IRS (1-800-829-1040) with specific tax questions. Please understand that the University and this office will not be able to provide tax advice. If there are other questions with which we may be of assistance, please feel free to contact us.

Sincerely,

A handwritten signature in cursive script that reads "Bradley Stene".

Bradley Stene  
Director of Student Accounts