

Department of the Treasury
Internal Revenue Service

▶ See Instructions.

▶ Attach to Form 1040 or Form 1040A.

2008

Attachment
Sequence No. **63**

Name(s) shown on return

Your social security number



You cannot take both an education credit from Form 8863 and the tuition and fees deduction from this form for the same student for the same tax year.

Before you begin: ✓ To see if you qualify for this deduction, see *Who Can Take the Deduction* in the instructions below.
 ✓ If you file Form 1040, figure any write-in adjustments to be entered on the dotted line next to Form 1040, line 36. See the 2008 Form 1040 instructions for line 36.

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		2
3	Enter the amount from Form 1040, line 22, or Form 1040A, line 15	3	
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, or • Form 1040A, lines 16 through 18	4	
5	Subtract line 4 from line 3.* If the result is more than \$80,000 (\$160,000 if married filing jointly) You cannot take the deduction for tuition and fees		5
*If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, use Worksheet 6-1 in Pub. 970 to figure the amount to enter.			
6	Tuition and fees deduction. Is the amount on line 5 more than \$65,000 (\$130,000 if married filing jointly)? <input type="checkbox"/> Yes. Enter the smaller of line 2, or \$2,000. } <input type="checkbox"/> No. Enter the smaller of line 2, or \$4,000. }		6
Also enter this amount on Form 1040, line 34, or Form 1040A, line 19.			

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

General Instructions

What's New

Students in Midwestern disaster areas. The definition of qualified education expenses is expanded for students attending an eligible educational institution in the Midwestern disaster areas in the states of Arkansas, Illinois, Indiana, Iowa, Missouri, Nebraska, and Wisconsin. See Table 3-2 in chapter 3 of Pub. 970 for the eligible counties. See *Students in Midwestern disaster areas*, later, for information about this expanded definition of qualified education expenses.

Purpose of Form

Use Form 8917 to figure and take the deduction for tuition and fees expenses **paid in 2008**.

This deduction is based on qualified education expenses paid to an eligible postsecondary educational institution. See *What Expenses Qualify*, on page 2, for more information.



You may be able to take the Hope credit or lifetime learning credit for your education expenses instead of the tuition and fees deduction. Figure your tax both ways and choose the one that gives you the lower tax. See Form 8863, Education Credits, and Pub. 970, Tax Benefits for Education, for more information about the Hope and lifetime learning credits.

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 2008 for academic periods beginning in 2008 and the first 3 months of 2009.



Qualified education expenses must be reduced by any expenses paid directly or indirectly using tax-free educational assistance. See Tax-free educational assistance and refunds of qualified education expenses on page 2.

Generally, in order to claim the deduction for qualified education expenses for a dependent, you must have paid the expenses in 2008 and must claim an exemption for the student as a dependent on your 2008 tax return (line 6c of Form 1040 or 1040A). For additional information, see chapter 6 of Pub. 970.

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), as figured on line 5, 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 Pub. 519, U.S. Tax Guide for Aliens.
- You or anyone else claims a Hope or lifetime learning credit (Form 8863) in 2008 with respect to expenses of the student for whom the qualified education expenses were paid. However, a state tax credit will not disqualify you from claiming a tuition and fees deduction.

What Expenses Qualify

Qualified education expenses. Generally, qualified education expenses are amounts paid in 2008 for tuition and fees required for the student's 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.
- Course-related books, supplies, equipment, and nonacademic activities, except for fees and expenses required to be paid to the institution as a condition of enrollment or attendance.
- 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 2008** 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.

You cannot take a tuition and fees deduction for qualified higher education expenses used to figure the exclusion from gross income of (a) interest received under an education savings bond program, or (b) distributions from a Coverdell education savings account (ESA) or qualified tuition program (QTP).

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.

Tax-free educational assistance and refunds of qualified education expenses. Tax-free educational assistance includes a tax-free scholarship or Pell grant or tax-free employer-provided educational assistance. See Pub. 970 for specific information.

You must reduce the total of your qualified education expenses by any tax-free educational assistance and by any refunds of your expenses. If the refund or tax-free assistance is received in the same year in which the expenses were paid or in the following year before you file your tax return, reduce your qualified education expenses by the amount received and figure your tuition and fees deduction using the reduced amount of qualified expenses. If the refund or tax-free assistance is received after you file your return for the year in which the expenses were paid, you must figure the amount by which your tuition and fees deduction would have been reduced if the refund or tax-free assistance had been received in the year for which you claimed the tuition and fees deduction. Include that amount as additional income for the year the refund or tax-free assistance was received.

Example. You paid \$8,000 tuition and fees in December 2007, and your child began college in January 2008. You filed your 2007 tax return on February 7, 2008, and claimed a tuition and fees deduction of \$4,000. After you filed your return, your child dropped two courses and you received a refund of \$5,600. You must refigure

your 2007 tuition and fees deduction using \$2,400 of qualified expenses instead of \$8,000. The refigured deduction is \$2,400. You must include the difference of \$1,600 on your 2008 Form 1040, line 21. You cannot file Form 1040A.

Students in Midwestern disaster areas. The definition of qualified education expenses is expanded for students in these areas. In addition to tuition and fees required for enrollment or attendance at an eligible educational institution, qualified education expenses for students in Midwestern disaster areas include the following.

1. Books, supplies, and equipment required for enrollment or attendance at an eligible educational institution.

2. For a special needs student, expenses that are necessary for that person's enrollment or attendance at an eligible educational institution.

3. For a student who is at least a half-time student, the reasonable costs of room and board, but only to the extent that the costs are not more than the greater of the following two amounts.

a. The allowance for room and board, as determined by the eligible educational institution, that was included in the cost of attendance (for federal financial aid purposes) for a particular academic period and living arrangement of the student.

b. The actual amount charged if the student is residing in housing owned or operated by the eligible educational institution.

You will need to contact the eligible educational institution for qualified room and board costs.

Who Is an Eligible Student

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

More Information

See Pub. 970, chapter 6, 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 2008 for academic periods beginning after 2007 but before April 1, 2009.

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.