

When is a 1098-T out of scope?

CORRECTED

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		1 Payments received for qualified tuition and related expenses \$ 2	OMB No. 1545-1574 <div style="font-size: 2em; font-weight: bold; text-align: center;">2018</div> Form 1098-T	Tuition Statement
FILER'S employer identification no.	STUDENT'S TIN	3 If this box is checked, your educational institution changed its reporting method for 2018 <input type="checkbox"/>		Copy B For Student This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.
STUDENT'S name		4 Adjustments made for a prior year \$ XXXXXXXXXX	5 Scholarships or grants \$	
Street address (including apt. no.)		6 Adjustments to scholarships or grants for a prior year \$ XXXXXXXXXX	7 Checked if the amount in box 1 includes amounts for an academic period beginning January—March 2019 <input type="checkbox"/>	
City or town, state or province, country, and ZIP or foreign postal code		8 Check if at least half-time student <input type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>	
Service Provider/Acct. No. (see instr.)	10 Ins. contract reimb./refund \$			

Form **1098-T** (keep for your records) www.irs.gov/Form1098T Department of the Treasury - Internal Revenue Service

If there is an entry in box 4 or 6 of the 1098-T, the return may be out of scope.

RULE: we cannot prepare the tax return for the person who claimed the education credit for the student last year.

Here are some examples:

- If the student was a dependent last year, we can do the student's return this year. If the person who claimed the student last year (e.g. the parent) received the education credit for that student, the return for that person this year is out of scope. (The student will need to share this year's 1098-T with that person.) If that person did not claim the credit last year, we can prepare that person's return this year.
- If the student was not claimed as a dependent last year, we can only do the return if the student did not claim the education credit last year. If the student did claim the education credit last year, the return is out of scope this year.

Please note:

- **For the return that is within scope this year, we disregard the entries in boxes 4 and 6.** These are only relevant to the person whose return is out of scope this year.
- **Our Out-of-Scope program can prepare the return for the person who received the education credit last year.** (It's called a recapture of the education credit. The taxpayer will need to provide a copy of last year's return, the student's 1098-T and account summary for last year and this year, and the education worksheet for last year's return if available.)