

Is Financial Aid Taxable?

Scholarships and grants (but not loans) which exceed the cost of tuition, fees, required books and equipment are considered taxable income under the Tax Reform Act of 1986. It is the responsibility of the student to properly report this income to the Internal Revenue Service. <http://www.irs.gov/publications/p970/index.html>

Many taxpayers are eligible to claim educational tax credits through the Lifetime Learning Credit or the American Opportunity Tax Credit. In addition to the credits, taxpayers may be eligible to claim a student loan interest deduction and/or a tuition and fees deduction. By the end of each January, 1098-T forms are made available to eligible students typically via standard mail. These forms show eligible charges billed, and grants and/or scholarships processed in the applicable year.

Please note, the College does not provide personal tax advice. We suggest you contact a qualified tax professional for additional information.