

Important Changes to the 1098-T tax Statement

The IRS has made it required for all the colleges to report Payments received that is the amount reported in Box 1 of the 1098-T form. As per the requirement, Mercer County Community College is now reporting Box 1-payment received and Box 2-Amount billed will no longer be reported.

All questions relating to these programs should be directed to your tax professional. The college is prohibited from offering any tax advice. The student should not refer to the college for explanations relating to eligibility requirements, calculation of qualified expenses, or tuition and fees deductions.

Explanation of Boxes reported on 1098-T form:

For more information, please visit <https://www.irs.gov/pub/irs-pdf/p970.pdf>

Box 1.

- Payments Received for Qualified Tuition and Related Expenses
- Total amount of payments received for qualified tuition and related expenses from all sources during the calendar year.
- The amount reported is the total amount of payments received less any reimbursements or refunds made during the calendar year that relate to the payments received for qualified tuition and related expenses during the same calendar year.
- The amount reported is not reduced by scholarships and grants reported in box 5.

Box 4. Reimbursements or refunds of qualified tuition and related expenses made in 2019 that relate to payments received that were reported for any prior year.

Box 5. Total amount of any scholarships or grants received and processed during the calendar year for the payment of the student's costs of attendance.

Box 6. Adjustments to Scholarships or Grants for a Prior Year. An amount of any reduction to the total of scholarships or grants that were reported for any prior year.

Box 7. Checked for amounts for an Academic Period Beginning in January through March of following year. This box is checked if any payments received for qualified tuition and related expenses reported for 2019 relate to an academic period that begins in January through March of 2020.

Box 8. Checked if at Least Half-Time Student – A half-time student is a student enrolled for at least half the full-time academic workload for the course of study the student is pursuing.

[Publication 970: Tax Benefits for Higher Education](#)

[Form 8863: Education Credits \(Hope and Lifetime Learning Credits\)](#)

[Contacting the IRS](#)