

## New IRS 1098T Reporting Requirement for Tax Year 2018

This notification is to inform you of recent changes to the 1098T reporting requirement mandated by the Internal Revenue Service (IRS).

### Internal Revenue Service (IRS) Revised Reporting Requirement

Historically, the IRS has permitted colleges and universities to choose one of two methods for reporting Qualified Tuition and Related Expenses for Form 1098T: Payments Received for Qualified Tuition and Related Expenses—Box 1 **OR** Amounts Billed—Box 2. The most common method among universities, including Roosevelt University, has been to report **Amounts Billed—Box 2**.

- Per a new IRS mandate for tax year 2018, Roosevelt University will no longer report **Amounts Billed—Box 2**. We will report **Payments Received for Qualified Tuition and Related Expenses—Box 1** starting tax year ending **December 31, 2018**.
- Scholarships & grants will be reported in Box 1 and Box 5, as scholarships and grants are also considered payments by the IRS.
- Exemptions and discounts will be reported in Box 1 and Box 5, per IRS guidelines.
- Third-party payments will be reported in Box 1 and Box 5, per IRS guidelines.

### Impact of the 2018 Reporting Change

- **Payments Received for Qualified Tuition and Related Expenses—Box 1** will not include your Spring 2018 payments if those payments were made in **December 2017**. That amount would have been reported in **Amounts Billed—Box 2** on the 1098T form for the tax year ended December 31, 2017 as the fees for Spring 2018 were billed in tax year 2017. Beginning tax year ending December 31, 2019, the amount in Box 1 should reflect the total amount paid for qualified tuition and related expenses.
- **Payments Received for Qualified Tuition and Related Expenses**—For tax year 2018, Box 1 will not include payments of past-due qualified tuition or related expenses from any previous calendar(s) year, for previously billed amounts. This change is expected to take place in tax year 2019.
- **Change in Reporting Method—Box 3** will be checked starting tax year ending December 31, 2018, as we will change our reporting method to **Payments Received for Qualified Tuition and Related Expenses —Box 1** from **Amounts Billed—Box 2**.
- **Adjustments Made for a Prior Year—Box 4**. Reimbursements or refunds of qualified tuition and related expenses made in 2018 that are related to payments received and reported for any *prior* year after 2002 will be reported in Box 4 starting tax year ending **December 31**,

**2019.** No adjustments for prior year payments will be populated in Box 4 for tax year ending **December 31, 2018** as the change in our reporting method takes effect in tax year 2018.

**Claiming Education Credits on Your Individual Tax Return**

You should use the information on the Form 1098T in conjunction with your own payment records to complete your individual tax return. If you have questions about how to compute an education tax credit, consult your tax professional or refer to **IRS Publication 970:**

**<https://www.irs.gov/pub/irs-pdf/p970.pdf>**

Please take time to view the **1098T FAQs** (Frequently Asked Questions) on the RU website.