

## **Lifetime Learning Credit**

### **Requirements**

1. Cannot be a dependent and cannot be eligible to be a dependent even if not claimed.
2. Cannot be filing MFS.
3. Must have a form 1098-T\* with the school's EIN.
4. Student does not need to be pursuing a program leading to a degree or other recognized education credential.

### **Qualifying Expenses**

1. Tuition and Required Fees
2. Books, Supplies, and Equipment ONLY if they are purchased directly from the institution and are required for the course(s).

### **Non-qualifying Expenses**

1. Room and Board.
2. Transportation.
3. Medical Insurance.

### **Subtract from costs**

1. Any non-taxable assistance received, other than gifts and inheritances
2. Tax-free scholarships or fellowships.
3. Tuition grants from an employer.
4. Federal Pell grants.
5. Refunds from the school.

### **Calculation of Credit**

1. One credit per eligible student per return per year. If the American Opportunities Credit is used for a student, that student may not also apply for the Lifetime Learning Credit.
2. 20% of first \$10,000 of qualified expenses.

**No part of the Lifetime Learning Credit is refundable.**

### **Phaseout**

1. Phases out for Single taxpayers starting at income of \$80,000 until \$0 credit at \$90,000.
2. Phases out for MFJ starting at income of \$160,000 until \$0 credit at \$180,000.

\*There are some exceptions. See Pub 970 (2022) page 22.