

## IMPORTANT CHANGES TO THE 2018 IRS 1098-T FORMS

In previous years, the Form 1098-T included an amount in Box 2 that represented the qualified tuition and related expenses (QTRE) Kalamazoo Valley Community College (KVCC) **billed** to student accounts for the calendar tax year. Due to a change to institutional reporting requirements under federal law, beginning with tax year 2018, KVCC will report in Box 1 the amount of QTRE **paid** during the year and Box 2 will be blank.

# 2018 Tax Year and Beyond

**Note on Payment Posted Date:** The posted date is based on when a payment was applied to the student account. Online payments through Nelnet are posted the day the payment is made (payments made after midnight post the following day). Payments that are mailed are posted when the check is received in the Pay Station. To assure these payments are reported in the current tax year, please allow for sufficient processing time. KVCC is unable to alter or back-date posted dates.

**Returning Students,** who have received a Form 1098-T in prior years, might potentially receive a 2018 form containing information for terms that may have already been accounted for in tax year 2017 under amounts billed. Additionally, any payment made prior to January 1, 2018 cannot be reported on the 2018 Form 1098-T.

The most common scenario resulted from winter term billing as this is billed beginning in October prior to the beginning of the term that starts in January. For example, on your 2017 Form 1098-T if KVCC billed you for your Winter 2018 term in October through December 2017, the information at the time the form was issued qualified as a reportable item under amounts billed (Box 2) since it happened during calendar year 2017. However, if you did not make any payments to the account prior to January 1, 2018, under the new reporting standard, that payment for Winter 2018 now qualified as a reportable item in 2018. In this scenario, you will have a form in 2017 reporting your amounts billed for winter

2018 with a blank Box 1, but you will now receive a 2018 form reporting the payment made for Winter 2018 for tax year 2018. It is important that you review your 2018 tax filings with regards to QTRE you may have claimed on your 2017 tax filings.

**First year students** should not be impacted by these IRS changes.

KVCC cannot provide tax advice and you should consult a tax professional regarding how these changes may impact your 2018 tax filing.