

NEWS FROM

KHEAA–Alabama

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Money Tip for Students, January 2018

Tax tips for students

Income tax season is approaching, and students may want to consider these tips from KHEAA–Alabama to help the process go more smoothly.

Although you may not have earned enough to be required to file, you may be able to get a refund if your employer withheld taxes from your pay. Before you file, discuss the situation with your parents. They may be able to claim you as a dependent, which could save them thousands of dollars.

Students and parents may be able to take advantage of these programs on their federal taxes:

- **American Opportunity Credit**, available for the first four years of college.
- **Lifetime Learning Credit**, available if a taxpayer or a dependent is taking college courses to acquire or improve job skills.
- **Tuition and fees deduction**, which lets taxpayers deduct qualified education expenses paid during the year for themselves or a dependent. The expenses must be for college.
- **Student loan interest deduction**, which lets people deduct up to \$2,500 per year on federal taxes for interest paid on federal student loans.

For more detailed information about federal programs, go to www.irs.gov to download the free Publication 970 Tax Benefits for Education.

Tax rules may change from year to year, so make sure you have the most up-to-date information before filing.

KHEAA is a public, non-profit agency established in 1966 to improve students' access to college. It provides information about financial aid and financial literacy at no cost to students and parents. KHEAA also helps colleges manage their student loan default rates and verify information submitted on the FAFSA. For more information about those services, visit www.kheaa.com.

In addition, KHEAA disburses private Advantage Education Loans on behalf of its sister agency, KHESLC. For more information about Advantage Education Loans, visit www.advantageeducationloan.com.

For more information about financial aid and college planning, visit www.alstudentaid.com.