

1098-T Reporting Update

This notification is to inform you of changes to the 1098-T Tuition Statement reporting requirements for tax year 2018. We recommend sharing this notice with the person responsible for using the 1098-T tax form if it is not yourself. As a reminder, all forms will be electronic for the 2018 tax year.

Revised Reporting Required

Until recently, the Internal Revenue Service (IRS) permitted colleges and universities to choose between two methods for reporting Qualified Tuition and Related Expenses (QTREs) to students on the Form 1098-T.*

Like most universities, WPI chose to report QTREs in Box 2 (charges billed for QTREs), rather than in Box 1 (payments received for QTREs).

New legislation requires reporting payments received for QTREs in Box 1 of the 1098-T, rather than reporting the amount billed in Box 2.

Impact of Reporting Change

The impact of this change for the tax year ending December 31, 2018, is that the amount reported in Box 1 does not include your Spring 2018 payments if they were paid in December, 2017.

That amount is reported in Box 2 on the 1098-T for the tax year ended December 31, 2017, because fees for the Spring 2018 term were billed in that year.

Since the same payments cannot be recorded twice simply because of a change in reporting method, Box 1 may not reflect the total amount paid by you for QTREs during the calendar year.

Beginning with the tax year ending December 31, 2019, the amount in Box 1 should correlate with the amount you paid for QTREs.

Special Note for 2018: *Due to the IRS mandate to change reporting methods, the Box 1 amount may not represent the actual amount you paid in 2018. The university began billing for Spring 2018 in November 2017; therefore, any charges for 2018 billed in calendar year 2017 were included on the 2017 1098-T as amounts billed. For this transitional year, any payments received in 2018 for charges billed in 2017 will NOT show in Box 1 unless new charges were added in 2018. **You should work with your tax preparer to determine the amounts you can claim as payments for 2018 based upon your financial records.***

Claiming Education Credits on Your Individual Tax Return

You should use the information on the Form 1098-T 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.

Sincerely,
WPI Bursar's Office

* See the amendments to Internal Revenue Code section 6050S under the Protecting Americans from Tax Hikes Act of 2015 (Pub. L. 114-113 (129 Stat. 2242 (2015)) (PATH). Specifically, Section 212(b) of PATH amends section 6050S(b)(2)(B)(i) to eliminate the option for eligible educational institutions to report aggregate qualified tuition and related expenses billed for the calendar year.