

ATX™ Learning Portal

Optimized Education Credits

The ATX Advantage Optimized Education Credits feature allows you to determine the best outcome quickly and accurately for taxpayers with education expenses. The Input tab on Form 1040 EdEx breaks down expenses for more detailed reporting. Instead of entering total expenses in Line 1 only, you can now report amounts specifically used to pay fees and to purchase books and supplies at the bottom.

Input Sheet (1040 EdExp)			
Student's name Sam Smith		1 Payments received, etc \$ 5,000	Institution 1 Tuition Statement
Student's SSN 987-98-7987	Service Provider/Acct No.	2 Amounts billed for qualified tuition and related expenses \$	
Name of Eligible Educational Institution University of Georgia		5 Scholarships or grants \$ 200	
Street address line 1 123 Main Street		8 Check if at least half-time student <input checked="" type="checkbox"/>	
Street address line 2		9 Check if a graduate student <input type="checkbox"/>	
City Athens	State GA	ZIP Code 30602	
Foreign Country	FEIN 95-1951951		
<input type="checkbox"/> Check if student received Form 1098-T from this institution for 2015 <input type="checkbox"/> Check if student received Form 1098-T from this institution for 2014 with Box 7 checked <input type="checkbox"/> Check if last institution attended in 2015			
Enter actual amounts paid if different than amounts reported on Form 1098-T. See IRS Pub 970 Box 1 or Box 2. Amounts NOT paid during 2015 \$ Box 1 or Box 2. Amounts Actually paid during 2015 \$ 5,000			
Box 5: Veteran or employer-provided assistance amounts included in Box 5 \$ Scholarship income already reported as income elsewhere in the return included in Box 5 \$ <input type="checkbox"/> Check if student is a candidate for a degree.			
Expenses paid to the institution as a condition of enrollment: Fees \$ Books, supplies, equipment \$			
Expenses paid to others (not paid to the institution) or not as a condition of enrollment: Books, supplies, equipment \$ Other course related \$			

To help you report and make adjustments to scholarships received, ATX also includes a Scholarship worksheet tab on the 1040 Education Expenses form:

Education Expense (1040 EdExp) Scholarships, Fellowship, Grants, etc. Worksheet		
Student 1: <u>Sam Smith</u>		
1 Enter the total amount of any scholarship or fellowship grants for 2014		
a	Scholarships and grants from Box 5 less amounts already included in income	200
b	Other scholarships, fellowships and grants	
c	Total	200
2 Enter the amount from line 1c that was for teaching, research, or any other services required as a condition for receiving the scholarship. (Do not include amounts received for these items under National Health Service Corps Scholarship Program or the Armed Forces Health Professions Scholarship and Financial Assistance Program)		
2		
3 Subtract line 2 from line 1c		
3		200
4 Enter the amount from line 3 that your scholarship or fellowship grant required you to use for other than qualified education expenses		
4		
5 Subtract line 4 from line 3		
5		200
6 Total qualified education expenses (from Education Expense Detail)		
6		5,000
7 Tax-free part. Enter the smaller of line 5 or line 6. This amount is the most you can exclude from your gross income.		
Check "X" if the student is a candidate for a degree <input type="checkbox"/> Otherwise, enter -0-		
7		0
8 Subtract line 7 from line 5		
8		200
9 Taxable part. (Add lines 2, 4, and 8.)		
9		200
Tax-Free Education Assistance:		
1 Veteran or employer-provided assistance amounts included in Box 5		
1		0
2 Other veteran or employer-provided assistance		
2		
3 Tax-free part from line 7 above		
3		0
4 Total Tax-free part		
4		0

 This tab displays information only if a scholarship amount is entered on the Input tab.

Education Expenses Detail

This tab requires you to answer three additional questions for each student to verify if the student qualifies for certain credits. Use the drop-down menus to answer these questions.

Student Name	Sam Smith
1 How many previous years has the Hope Scholarship Credit or American Opportunity Credit been claimed for this student prior to tax year 2015? (Credit available ONLY for 4 tax years per eligible student)	1
2 Was the student enrolled at least half-time for at least one academic period that began in 2015 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential?	Yes
3 Did the student take courses as part of a postsecondary degree program or to acquire or improve job skills?	Yes
4 Did the student complete the first 4 years of post-secondary education before 2015?	No
5 Was the student convicted, before the end of 2015, of a felony for possession or distribution of a controlled substance?	No

At the bottom of this form, choose the credit or deduction for each student:

Education Expenses Detail					
Student Name	1	2	3	4	5
	Sam Smith	Patty Smith	Jacob Smith	Amber Smith	Gary Smith
1 How many previous years has the Hope Scholarship Credit or American Opportunity Credit been claimed for this student prior to tax year 2015? (Credit available ONLY for 4 tax years per eligible student)	1	2	4	1	3
2 Was the student enrolled at least half-time for at least one academic period that began in 2015 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential?	Yes	Yes	Yes	Yes	Yes
3 Did the student take courses as part of a postsecondary degree program or to acquire or improve job skills?	Yes	Yes	Yes	Yes	Yes
4 Did the student complete the first 4 years of post-secondary education before 2015?	No	No	No	No	No
5 Was the student convicted, before the end of 2015, of a felony for possession or distribution of a controlled substance?	No	Yes	No	No	No
Education Expenses:					
1 Tuition Paid	5,000	6,000	6,000	19,000	8,000
Expenses paid to the institution as a condition of enrollment:					
2 Fees	0	0	1,500	1,400	500
3 Books, supplies, equipment	0	0	1,000	2,600	0
Expenses paid to other than institution or not as a condition of enrollment:					
4 Books, supplies, equipment	0	0	0	3,700	600
5 Other course related	0	0	0	800	0
6 Total Qualified Expenses (sum of lines 1 through 5)	5,000	6,000	8,500	27,500	9,100
Adjustments:					
1 Tax-Free educational assistance	0	0	3,000	5,000	0
2 Refunds of education expenses paid in 2015					
3 Education expenses deducted on Federal Schedule A					
4 Qual Higher Education Exp applied to Qualified Tuition Plan (QTP) distributions					
5 Qual Higher Education Exp applied to Education Savings Acct (ESA) distributions					
6 Qual Higher Education Exp applied to exclusion of U.S. savings bond interest					
7 Total Adjustments	0	0	3,000	5,000	0
Total Qualifying Expenses Eligible For:					
1 Tuition and Fees Deduction	5,000	6,000	5,500	18,000	8,500
2 American Opportunity Credit	5,000	0	0	22,500	9,100
3 Lifetime Learning Credit	5,000	6,000	5,500	18,000	8,500
Select Deduction or Credit Type:	American Credit	Lifetime Credit	Lifetime Credit	American Credit	American Credit
Qualifying Education Expenses	5,000	6,000	5,500	22,500	9,100

Optimization of Education Credits

In addition to these enhancements, ATX Advantage users can optimize education credits and determine the best possible tax scenario for each student.

To use this feature, enter data for each student as you normally would.

Instead of selecting the credit or deduction to claim on the Education Expenses Detail worksheet:

1. Select the Optimization Worksheet tab.

Optimization Worksheet & Summary					
Student Name	Sam Smith	Patty Smith	Jacob Smith	Amber Smith	Gary Smith
Qualified Expenses					
1 Tuition and Fees Deduction	5,000	6,000	5,500	18,000	8,500
2 American Opportunity Credit	5,000	0	0	22,500	9,100
3 Lifetime Learning Credit	5,000	6,000	5,500	18,000	8,500
Check "X" to select Optimize all <input checked="" type="checkbox"/>					
Select Optimize, Deduction or Credit Type (Manual entry):	Optimize	Optimize	Optimize	Optimize	Optimize
CLICK TO RUN OPTIMIZE CALCULATIONS. >>> <input type="button" value="OPTIMIZE"/> <<< Expenses will not be processed, until the OPTIMIZE button has been clicked.					

2. Click **Optimize**.

ATX checks each option, based on tax limitations, amounts paid, number of students, etc., and determines which credits most benefit the taxpayer.

i If you make any changes to the return after using this feature, you must click **Optimize** again to update the results.

Form 1099Q

If a taxpayer takes a distribution from a Coverdell Education Savings Account (ESA) or a Qualified Tuition Program (QTP), you will need to calculate how much of this distribution is taxable. Taxpayers who receive a distribution from one of these accounts receive a Form 1099-Q to report the amount. This amount is reported as income on Form 1040 Line 8, Sch 1 - Other Income.

Line 8, Sch 1 (1040) - Other Income			
	Filer	Spouse	Total
8a Net operating loss carryover (NOL) (enter as a negative)	0		0
Net operating loss (NOL) carryover (1041 K-1)	0	0	0
8b Gambling winnings (W-2G)	0	0	0
Gambling winnings (not reported on W-2G)			0
8c Canceled debts (1065 K-1)	0	0	0
8d Foreign earned income (2555)	0	0	0
8e Taxable non-qualified LTC payments (8853)	0	0	0
Taxable MSA distributions (8853)	0	0	0
Taxable Medicare Advantage MSA distributions (8853)	0	0	0
Taxable Long Term Care Payments (8853)	0	0	0
8f Income from Form 8889	0	0	0
8g Alaska Permanent Fund dividends			0
8h Jury duty pay			0
8i Prizes and awards			0
8j Activity not engaged in for profit income			0
8k Stock options			0
8l Income from the rental of personal property when not in the business			0
8m Olympic and Paralympic medals and USOC prize money (see instructions)			0
8n Section 951(a) inclusion (see instructions)			0
8o Section 951A(a) inclusion (see instructions)	0		0
8p Section 461(l) excess business loss adjustments	0		0
8q Taxable distributions from an ABLA account (1099-QA)			0
8r Scholarship and fellowship grants not reported on Form W-2	0	0	0
8s Nontaxable amount of Medicaid waiver pmts included on Form 1040, line 1a or 1d			0
8t Pension/annuity from a nonqualified deferred comp plan or a nongovernmental sec. 457 plan	0	0	0
8u Wages earned while incarcerated	0	0	0
8z Other Income:			
Taxable grants (1099-G)	0	0	0
Reemployment trade adjustment assistance (RTAA) payments (1099-G)	0	0	0
Other Income (1099-MISC, Box 3)	0	0	0
Nonemployee compensation (1099-NEC)	0	0	0
Substitute payments in lieu of interest or dividends (1099-MISC)	0	0	0
Qualified tuition program (QTP) distributions and earnings (1099-Q)	0	0	0
1 Coverdell ESA distributions and earnings (1099-Q)	14,000	0	14,000
Other income (1065 K-1)	0	0	0
Other income (1120S K-1)	0	0	0

Some funds received for education expenses are tax free. These include:

- Tax-free scholarships and fellowships
- Veterans' educational assistance
- Pell grants
- Employer-provided educational funds

With most ATX packages, you must determine the taxable amount from the 1099-Q and enter this amount on the Line 8, Sch 1 - Other Income worksheet.

ATX Advantage helps you determine the taxable amount by allowing you to enter more information in the return and performing complex calculations to ensure your taxpayer gets the most accurate and beneficial results.

To do this:

1. Enter the taxpayer, spouse, and dependent information as you normally would. This includes all birthdates, which are necessary to calculate many deductions and credits.

- If a dependent is the individual who attended a qualifying school for education credits, make sure you indicate this on the Line 6c - Dependents worksheet.

Line 6c (1040) - Dependents														
1	First name	M.I.	Last name	Suffix	Dependent's social security number	Dependent's identity protection PIN (if applicable)	Dependent's relationship to you	No. of months in home in 2017	Check if did not live with you due to div. or sep.	Dependent's date of birth	Check if US citizen or resident alien	Student age 19-23 or Disabled	Check if dependent has education expenses	Check to not claim dependent this year
1	Sam	E	Example				Son	12		10/14/1998	X	Student	X	

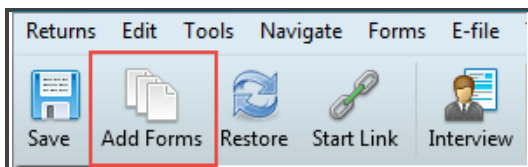
- Input the information from Form 1099-Q. ATX Advantage allows you to link from the Line 8, Sch 1 worksheet to the 1099-Q input form.

Input Sheet (1099Q (Worksheet))									
QuickEntry - Select Payer >>> _____ <input checked="" type="checkbox"/> Add to Payer Manager									
Select the designated beneficiary of the distribution * Sam E Example									
Select the recipient of the distribution Filer									
Check all that apply: <input type="checkbox"/> Final distribution <input type="checkbox"/> Corrected					Payments From Qualified Education Programs				
PAYER'S name Cherokee Bank									
PAYER'S federal identification number 51-1992192					2 Earnings \$				
Street address line 1 4321 Main St					3 Basis \$ 10,000				
Street address line 2					4 Trustee-to-trustee transfer <input type="checkbox"/>				
City Rome					5 Select type of account: CESA (Coverdell ESA)				
State GA					6 Check if the recipient is not the designated beneficiary <input checked="" type="checkbox"/>				
ZIP code 30161					7 Distribution code 1				
Foreign Country Foreign Province Postal Code					8 (Not supported for 2017)				
Telephone number					9 Amount of rollover or transfer Owner of account receiving rollover: \$				
RECIPIENT'S name John Q Example					Additional Rollover and Transfer information				
RECIPIENT'S identification number 111-22-2333									
Street address line 1 123 Smalltown Cir					<input type="checkbox"/> Under a CESA, the new designated beneficiary is over 30 and is not a special needs designated beneficiary.				
Street address line 2					Contributions				
City Port Saint Joe									
State FL					Basis of this account on 12/31/2016 * \$				
ZIP code 32456					FMV of this account on 12/31/2017 * \$				
Foreign Country Foreign Province Postal Code					plus any outstanding rollovers \$				
Account number					*(Refer to IRS Pub 970, Wkst 7-3 Instructions)				
<input type="checkbox"/> Check "X" if the distribution was a return of a contribution to a Coverdell ESA and enter amount \$ 0									
Enter amount of education expenses recontributed to QTP account within 60 days of refund \$									

After you complete this form, you can begin designating which amounts are taxable and non-taxable. To do this, you must report qualified education expenses.

The following steps are the same for reporting education expenses in all ATX packages.

- In the open return, click the **Add Forms** icon.



- In the Select Forms window, type *1040 EdExp* in the Find box to filter to the Education Expenses Worksheet. Click **Open Forms**.

Select Forms for Example, John Q and Mary A

Forms View

Open Forms Clear View Form Help Cancel

1 of 7,119 Forms

Find: (Ctrl+F)
1040 Ed

Federal
 State
 Local All

Name	Description	Status
1040 EdExp (1098-T)	Education Expenses Worksheet (1098-T Wkst)	Installed

3. On the Student Worksheet, enter the number of qualifying institutions each individual attended.

Student Worksheet (1040 EdExp (1098-T))

	First name	M.I.	Last name	SSN	Required Number of qualifying educational institutions enrolled or attended in 2017
1	John	Q	Example	111-22-2333	
2	Mary	A	Example	222-33-3444	
3	Sam	E	Example	333-22-2111	1

4. Click the **Input** worksheet tab to enter data from the taxpayer's Form 1098-T.

Education Expense Input Sheet (1040 EdExp (1098-T))

Student's name Sam E Example Student's SSN	1 Payments received, etc \$ 14,500	Institution 1
	2 Amounts billed for qualified tuition and related expenses \$	
Select Type of School Attended: College		
Name of Eligible Educational Institution	3 Not used by program	5 Scholarships or grants \$ 1,500
School Name	4 Not used by program	
Street address line 1 123 school rd	6 Not used by program	7 Not used by program
Street address line 2	8 Check if at least half-time student <input checked="" type="checkbox"/>	9 Check if a graduate student <input type="checkbox"/>
City Kennesaw	State	ZIP Code 30144
Foreign Country	FEIN	10 Not used by program Check if student is a candidate for a degree <input type="checkbox"/>
	Check if last institution attended in 2017 <input checked="" type="checkbox"/>	

- i** Note the new field on this form for ATX Advantage users only. You must select the type of school the individual attended to assist with calculations related to determining the taxable amount from the Form 1099-Q distribution.

Education Expense Input Sheet (1040 EdExp)

Student's name
Sam E Example
Student's SSN

Select Type of School Attended:

- College (higher/post secondary)
- Elementary
- High School (secondary)
- College (higher/post secondary)
- Vocational (higher education)
- Military Academy (higher education)
- (blank)

Depending on which school type you choose, the Input tab expands to include additional fields at the bottom.

- If the taxpayer received any scholarships, click the **Scholarship Worksheet** tab to review or add information related to this amount.

Scholarships, Fellowship, Grants, etc. Worksheet (1040 EdExp (1098-T))


Student 1: Sam E Example

1 Enter the total amount of any scholarship or fellowship grants for 2017		
a Scholarships and grants from Box 5 less amounts already included in income & adjustments	a	1,500
b Other scholarships, fellowships & grants less amounts already included in income & adjustments	b	0
c Total	c	1,500
2 Enter the amount from line 1c that was for teaching, research, or any other services required as a condition for receiving the scholarship. (Do not include amounts received for these items under National Health Service Corps Scholarship Program or the Armed Forces Health Professions Scholarship and Financial Assistance Program)		
3 Subtract line 2 from line 1c	3	1,500
4 Enter the amount from line 3 that your scholarship or fellowship grant required you to use for other than qualified education expenses		
5 Subtract line 4 from line 3	5	1,500
6 Total qualified education expenses (from Education Expense Detail)	6	30,500
7a Tax-free part. Enter the smaller of line 5 or line 6. This amount is the most you can exclude from your gross income.	7a	1,500
7b Check "X" if the student is a candidate for a degree <input type="checkbox"/> Otherwise, enter -0-	7b	0
8 Subtract line 7b from line 5	8	1,500
9 Taxable part. (Add lines 2, 4, and 8.)	9	1,500
Tax-Free Education Assistance:		
1 Veteran or employer-provided assistance amounts included in Box 5	1	0
2 Other veteran or employer-provided assistance	2	0
3 Tax-free part from line 7b above	3	0
4 Total Tax-free part	4	0

i For scholarship amounts to calculate as tax free, you must verify that the **is candidate for a degree** check box is selected.

- Click the **Education Expenses Detail** tab to complete questions related to eligibility to claim education credits and deductions.

Education Expenses Detail	
Student Name	1 Sam E Example
Questions to determine eligibility for education credits or deduction: (Complete questions 1 thru 5 only if attended institution of higher education)	
1 How many previous years has the Hope Scholarship Credit or American Opportunity Credit been claimed for this student prior to tax year 2017? (Credit available ONLY for 4 tax years per eligible student)	0
2 Was the student enrolled at least half-time for at least one academic period that began in 2017 at an eligible educational institution in a program leading towards a post secondary degree, certificate, or other recognized post secondary educational credential? (If 'YES', question 3 must be "YES". Skip to question 4).	Yes
3 Did the student take courses as part of a post secondary degree program or to acquire or improve job skills? (For Lifetime Learning Credit eligibility)	Yes
4 Did the student complete the first 4 years of post-secondary education before 2017?	No
5 Was the student convicted, before the end of 2017, of a felony for possession or distribution of a controlled substance?	No
Qualifying Higher Education Expenses:	

 Some types of schools do not require these fields for eligibility.

7. With ATX Advantage, you can add adjustments and allocations on this form.

Adjustments:	
Tax-Free educational assistance	0
Refunds of education expenses paid in 2017	
Education expenses deducted on Federal Schedule A	
Total adjusted higher education expenses before credits, deductions or income exclusions	30,500
Allocation of AOC, LLC or tuition and fee deduction:	
Enter the amount of expenses you choose for the AOC, LLC or tuition and fee deduction (not to exceed line above)	4,000
Allocation of Coverdell ESA, Qualified Tuition Program and US Savings Bonds income:	
Higher education expenses applied to (CESA), (QTP), US Savings Bond income	26,500
Higher education expenses applied to US Savings Bond income only	0
Total Adjustments	26,500

8. After entering all the amounts and answering all relevant questions related to higher education expenses, click the **Optimization Worksheet** tab. Click **Optimize** to allow ATX to choose the most beneficial education credit for this return.

Optimization Worksheet & Summary (1040 EdExp (1098-T))

Student Name
 First Sam
 Last Example

Qualified Expenses					
1 Tuition and Fees Deduction	4,000				
2 American Opportunity Credit	4,000				
3 Lifetime Learning Credit	4,000				

Check "X" to select Optimize all X
 Select Optimize, Deduction or Credit Type (Manual entry):

Optimize				
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CLICK TO RUN OPTIMIZE CALCULATIONS. > > >

Any changes made to the return after the optimization is chosen, will require the optimization to be run again.

Student Name
 First Sam
 Last Example

Optimized Expenses					
1 Tuition and Fees Deduction	0	0	0	0	0
2 American Opportunity Credit	2,500	0	0	0	0
3 Lifetime Learning Credit	0	0	0	0	0

Elected Optimization


X				
American Credit				

Optimized Deductions and Credits Summary

	Total (After AGI Limits)	Total (After Tax Limits)
Tuition and Fees Deduction	0	0
American Opportunity Credit (Refundable)	1,000	1,000
American Opportunity Credit (Non-refundable)	1,500	0
Lifetime Learning Credit (Non-refundable)	0	0
Total Education Credits	2,500	1,000

Credit not allowed. Credit limited to tax less other credits.

Pages & Worksheets | Students | Input | Scholarship Worksheet | Education Expenses Detail | **Optimization Worksheet** | Student Summary

 The maximum credit allowed for education expenses is \$2,500 per student.

9. After entering all qualified offsets, you can view the total taxable and non-taxable amounts on Form 1099-Q CESA and QTP worksheet tabs.

Coverdell ESA (1099Q (Worksheet)) - Taxable Distributions & Basis Worksheet

Beneficiary: Sam E Example
 Recipient: Filer
 1099Q Payer: Atlanta Trading Inc

Qualified Education Expenses

	Regular Tax	10% Addtl Tax
A Adjusted qualified education expenses allocated to education savings programs for 2017	A 10,500	14,500
B Total distributions from ALL Coverdell ESAs in 2017 (excluding rollovers & return of excess contributions)	B 15,000	15,000
C Divide line A by Line B. Enter result as a decimal rounded to at least 3 places. If result is 1.000 or more, enter 1.000	C 70.000%	96.667%

Coverdell ESA - Taxable Distributions

	Regular Tax	10% Addtl Tax
1 Amount contributed to this Coverdell ESA for 2017, including contributions made for 2017 from January 1, 2018, through April 15, 2018. Don't include rollovers or the return of excess contributions	1 1,000	1,000
2 Basis in this Coverdell ESA as of December 31, 2016	2	0
3 Add lines 1 and 2	3 1,000	1,000
4 Total distributions from this Coverdell ESA during 2017. Don't include rollovers or the return of excess contributions	4 15,000	15,000
5 Amount of adjusted qualified education expenses attributable to this CESA	5 10,500	14,500
6 Excess distributions. (Subtract line 5 from line 4)	6 4,500	500
7 Total value of this Coverdell ESA as of December 31, 2017, plus any outstanding rollovers	7	0
8 Add lines 4 and 7	8 15,000	15,000
9 Divide line 3 by line 8. Enter the result as a decimal (rounded to at least 3 places). If the result is 1.000 or more, enter 1.000	9 6.667%	6.667%
10 Multiply line 4 by line 9. This is the amount of basis allocated to your distributions, and is tax free Note. If line 6 is zero, skip lines 11 through 13, enter -0- on line 14, and go to line 15	10 1,000	1,000
11 Subtract line 10 from line 4	11 14,000	14,000
12 Divide line 5 by line 4. Enter the result as a decimal (rounded to at least 3 places). If the result is 1.000 or more, enter 1.000	12 70.000%	96.667%
13 Qualified education expenses allocated to this distribution, and is tax-free (Multiply line 11 by line 12)	13 9,800	13,533
14 Taxable portion of the distribution to the recipient (Subtract line 13 from line 11)	14 4,200	467
15 Taxable earnings on return of 2017 contributions	15 0	
16 Taxable earnings on non-family member transfers	16 0	
17 Taxable earnings to Form 1040/1040NR (Add Lns 14 - 16) (Loss, report on Sch A)	17 4,200	
18 Basis in this Coverdell ESA as of December 31, 2017 (Subtract line 10 from line 3)	18 0	

Amount subject to additional 10% Tax

		10% Addtl Tax
1 Taxable amount to the recipient	1	4,200
2 Less:		
a Distributions made due to the death or disability of the beneficiary	2a	0
b Distributions made on account of a tax-free scholarship, allowance, or payment	2b	0
c Distributions made because of attendance by the beneficiary at a U.S. military academy	2c	0

i Keep in mind, if one beneficiary has a distribution from a Coverdell ESA and a distribution from a Qualified Tuition Program (QTP), the education expenses must be allocated between the two accounts. ATX automatically calculates and reports this on the Form 1099-Q Allocation of Education Expenses worksheet.

Allocation of Education Expenses (1099Q (Worksheet))

Beneficiary: John Q Example

		Regular Tax	10% Addtl Tax
Education Expenses			
1	Qualifying higher education expenses less adjustments	0	0
a	Less education expenses used based on amounts parents claimed for the American opportunity credit, lifetime learning credit or tuition and fees deduction on their return. (Example: if \$2,500 credit claimed, then this would be based on \$4,000 of expenses)	0	/
b	Less: qualifying higher education expenses of tuition and fees applied to the exclusion of US Savings Bonds Interest less adjustments (not to exceed proceeds from bonds)	0	/
2	Total remaining qualifying higher education expenses available	0	0
3	Adjusted qualifying elementary & secondary school expenses (CESA only)	0	0
4	Total adjusted qualifying education expenses	0	0
Allocation of Education Expenses For CESAs and QTPs			
5	Total distributions from Coverdell ESAs (excluding rollover and excess contributions)	0	0
6	Total adjusted qualifying elementary & secondary education expenses (CESAs only) applied	0	0
7	CESA distributions relating to higher education expenses (Line 5 less Line 6)	0	0
8	Total distributions from QTPs (excluding rollover, excess contributions and recontributed)	0	0
9	Distributions from CESAs & QTPs to be offset by higher education expenses (lines 7 and 8)	0	0
10	CESA allocation percentage (Line 7 divided by Line 9)	%	%
11	Total amount of adjusted qualified education expenses attributable to CESAs	0	0
12	Total amount of adjusted qualified education expenses attributable to QTPs	0	0
Allocation of Education Expenses For US Savings Bonds Interest			
13	Total proceeds from U.S. Savings Bonds cashed during 2017	0	/
14	Amount of adjusted qualified education expenses attributable to the exclusion of US Savings Bonds Interest	0	/
15	QTP or CESA contributions (US Savings Bond only)	0	/
16	Total amount of adjusted qualified education expenses attributable to the exclusion of US Savings Bonds Interest (Sum of lines 14 & 15, not to exceed line 13)	0	/

All taxable amounts from Form 1099-Q and their offsetting adjustments, if applicable, flow to Form 5329: *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts.*