

Student Tax Credits

Anyone can file taxes for free on the IRS website beginning January 2024:

<https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>

The **Earned Income Tax Credit (EITC)** helps low- to moderate-income workers and families get a tax break. If you qualify, you can use the credit to reduce the taxes you owe – and maybe increase your refund.

To qualify for the EITC, you must:

- Have worked and [earned income](#) under \$59,187
- Have investment income below \$10,300 in the tax year 2022
- Have a [valid Social Security number](#) by the due date of your 2022 return (including extensions)
- Be a [U.S. citizen or a resident alien](#) all year
- Not file [Form 2555, Foreign Earned Income](#)
- Meet certain rules if you are separated from your spouse and not filing a joint tax return

The **American Opportunity Tax Credit (AOTC)** is a credit for qualified education expenses paid for an eligible student for the first four years of higher education. You can get a maximum annual credit of \$2,500 per eligible student. If the credit brings the amount of tax you owe to zero, you can have 40 percent of any remaining amount of the credit (up to \$1,000) refunded to you.

The amount of the credit is 100 percent of the first \$2,000 of qualified education expenses you paid for each eligible student and 25 percent of the next \$2,000 of qualified education expenses you paid for that student.

To be eligible for AOTC, the student must:

- Be pursuing a degree or other recognized education credential
- Be enrolled at least half time for at least one academic period* beginning in the tax year
- Not have finished the first four years of higher education at the beginning of the tax year
- Not have claimed the AOTC or the former Hope credit for more than four tax years
- Not have a felony drug conviction at the end of the tax year

To be eligible to claim the AOTC or the Lifetime Learning Credit (LLC), the law requires a taxpayer (or a dependent) to have received a Form 1098-T, Tuition Statement, from an eligible educational institution, whether domestic or foreign.

To claim AOTC, you must complete the [Form 8863](#) [PDF](#) and attach the completed form to your tax return.