



DARTMOUTH COLLEGE

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Dartmouth College is required to provide this information to you and to the Internal Revenue Service (IRS). You may use it to help determine whether you (or another taxpayer who claims you as a dependent) may qualify for a federal education tax credit. IRS Publication 970 explains two of these tax credits (American Opportunity Credit and Lifetime Learning Credit) and the tax treatment of scholarships.

A Brief Note on the Calculation:

The college is required to report payments received *for* qualified charges in Box 1. As such, what is reported in Box 1 is effectively capped by your qualified charges. While there are many different scenarios, a common case is that the total of the detailed listing of “payments received” may exceed what is reported in Box 1. This list of payments received is available in DartHub, the student portal: Search for 1098-T). Since housing and insurance charges (among others) are not considered qualified expenses, payments for those charges are not included in Box 1. A list of qualified charges is provided to put the payment information into context; it is not reported to the IRS.

Understanding Box 1 and Box 4:

Beginning in the 2018 tax year, Box 1 was the lesser of qualified charges and payments received—see the note above. In tax years after this, Box 1 is the lesser of “qualified charges in the reported tax year plus unreported qualified charges from prior tax years starting in 2018” and payments received in the reported tax year. Unreported charges are qualified charges in one tax year that did not have matching payments in that same tax year. These can occur in the terms that cross tax years, the winter term for undergraduates and the spring term for medical school students. In these terms, the charges are presented in one tax year and the payments (scholarships, loans, payments) may appear in the following tax year. Over time, all your “payments *for* qualified charges” will be reported. [You may receive a 1098-T form for a tax year in which you were not enrolled, provided you made a payment in that year and you had unreported charges. This affects only a small number of students.] This is a reminder that the 1098-T data was never meant to be the sole source of data to use when determining your eligibility for education tax benefits. You must use your own records to understand what payments you have made and when you made them to assess your eligibility for education tax benefits. Current students may view the reconciliation for this calculation on DartHub, using the 1098-T tile. For the 2018 tax year, adjustments were not reported because the method of reporting had changed (from reporting charges billed to payments received for qualified charges). Adjustments are transactions that occurred in the 2024 calendar year that refer to amounts previously reported in the 2018 tax year or later. Adjustments may stem from changes to payments or charges that were previously reported. Adjustments may require tax refiling or recapture in the current tax year—see Publication 970—if you claimed education tax benefits in previous tax years. Adjustments affect only a small number of students.

Federal CARES Act/HEERF funds disbursed in the previous tax years are not reported on the 1098-T per IRS guidance. However, institutional scholarships are typically reported in Box 5 (as scholarships) and Box 1 (as payments that could pay qualified charges).

Resources:

Visit the IRS website: <https://www.irs.gov/>. In the search box, enter “Publication 970.” Referenced in that document is “Form 8863.” This is the form used to determine eligibility for the tax credits. Be sure to review the version of these documents for the 2024 tax year.

Dartmouth College is unable to provide individual tax advice and nothing in this document should be construed as tax advice. If you have questions, please seek the counsel of an informed tax preparer or adviser.