

## ***REQUIREMENT FOR DOCUMENTS TO SUPPORT CLAIM FOR AMERICAN OPPORTUNITIES CREDIT (AOC)***

**Background:** The NTTC has been asked if Tax-Aide volunteers can allow a claim for AOC based solely on verbal information provided by the taxpayer.

**NLT RESPONSE:** The taxpayer must provide a Form 1098-T from the college or university. The reasons are:

1. The institution is required to complete a form 1098-T for each enrolled student, with a few exceptions listed in the instructions.
2. The form provides more information than just the tuition paid. It provides scholarship information, it confirms the enrollment status of a student as at least 1/2 time and defines a graduate student, all of which have an effect on the eligibility and value of the AOC credit.
3. In addition, the form identifies adjustments for prior years, which, if present, render the return out-of-scope.

It should not be difficult for the student or the taxpayer to get a copy if it has been lost or never received, since many schools make them available electronically.

Another concern is the possibility of a fraudulent return, particularly if the taxpayer is unknown to the site volunteers. This can be a significant credit as you know and can be very tempting.

All that said, if there are extenuating circumstances **and** the preparer knows the taxpayer from prior years, exceptions could be made with LC approval and proper “due diligence”.