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# 1098-T Change in Reporting Requirements Pushed Back to the 2017 Filing Year

HIGHER EDUCATION, TAX  
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Prior to the passing of the Protecting Americans from Tax Hikes Act of 2015 (PATH Act) in December 2015, educational institutions had the option on Form 1098-T to either report the amount of tuition and related expenses billed to a student by a qualified tuition in Box 2 or to report in the aggregate, the amount of payments received for qualified tuition and related expenses in Box 1. The PATH Act required that expenses paid to eligible educational institutions after December 31, 2015 from, or on the behalf of, a student, be reported in the aggregate, amount of payments. Under the PATH Act, educational institutions would not have had the option of reporting only the tuition billed to students.

NACUBO Student Financial Services and Tax Councils, along with educational institutions, expressed concern to the IRS with respect to the time constraint and resources needed for complying with the filing of the 2016 1098-T under the PATH Act. New software will need to be generated to file the new 1098-T, and educational institutions must be diligent and correctly track each student's receipt of payment for filing purposes. The IRS has responded by providing temporary relief.

## IRS ANNOUNCEMENT 2016-17

IRS Announcement 2016-17 provides that, "The IRS will not impose penalties under Section 6721 or 6722 on eligible educational institutions with respect to Forms 1098-T, Tuition Statement, required to be filed and furnished for the 2016 calendar year under Section 6050S if the institution reports the aggregate biller for qualified tuition and related expenses on Form 1098-T instead of the aggregate amount of payments received by Section 212 of the PATH Act." The penalty relief is limited to 2016 Forms 1098-T. This penalty relief does not apply to any other filing failure. This announcement has expanded the time for educational institutions to be in compliance with reporting payments received by, or on the behalf of, students in 2017.

To read the complete IRS Announcement 2016-17, please visit <https://www.irs.gov/pub/irs-drop/a-16-17.pdf>.

Contact us if you have questions regarding Form 1098-T and visit our [higher education services page](#) to see a full listing of our service offerings.

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