



October 18, 2017

Form 1098-T Reporting Requirements Change for Tax Year 2018

HIGHER EDUCATION, TAX
BY SARAH PIOT

The Internal Revenue Service recently announced that colleges and universities will no longer have relief from the Box 1 reporting requirement on Form 1098-T, beginning with tax year 2018 reporting.

Educational institutions are required to file Form 1098-T, Tuition Statement, on an annual basis to report payments of qualified tuition and related expenses. In the past, they've had the option to report these payments two different ways:

1. Box 1 – Payments received for qualified tuition and related expenses
2. Box 2 – Amount of tuition and related expenses billed to a student

This changed with the Protecting Americans from Tax Hikes Act of 2015 ("PATH Act"), enacted in December 2015, which eliminates the ability for educational institutions to report on the amount of payments billed (Box 2) and requires reporting the amount of payments actually received for qualified tuition and related expenses (Box 1).

Under the PATH Act, the change was effective for calendar year 2016 reporting, but the IRS has continued to delay implementation due to pushback from many educational institutions and organizations like the National Association of College and University Business Officers. Several institutions have indicated that additional time is needed in order for their software to be programmed to make these adjustments.

The IRS has indicated in its Notice of Proposed Rulemaking that there will be significant reporting changes to Form 1098-T, but have yet to issue final regulations. Schneider Downs will be following these changes and will post an update once more information is available.

If you have questions about the change in reporting requirements, [please contact us](#). For more articles, please visit the [Our Thoughts On...blog](#).

You've heard our thoughts... We'd like to hear yours

The Schneider Downs Our Thoughts On blog exists to create a dialogue on issues that are important to organizations and individuals. While we enjoy sharing our ideas and insights, we're especially interested in what you may have to say. If you have a question or a comment about this article – or any article from the Our Thoughts On blog – we hope you'll share it with us. After all, a dialogue is an exchange of ideas, and we'd like to hear from you. Email us at contactSD@schneiderdowns.com.

Material discussed is meant for informational purposes only, and it is not to be construed as

investment, tax, or legal advice. Please note that individual situations can vary. Therefore, this information should be relied upon when coordinated with individual professional advice.

© 2024 Schneider Downs. All rights-reserved. All content on this site is property of Schneider Downs unless otherwise noted and should not be used without [written permission](#).