

# Qualified Education Expenses

English

## Individuals

### Businesses and Self Employed

Qualified education expenses are amounts paid for tuition, fees and other related expenses for an eligible student.

## Who Must Pay

### Qualified education expenses must be paid by:

- You or your spouse if you file a joint return,
- A student you claim as a dependent on your return, or
- A third party including relatives or friends.

### Funds Used

You can claim an education credit for qualified education expenses paid by cash, check, credit or debit card or paid with money from a loan.

If you pay the expenses with money from a loan, you take the credit for the year you pay the expenses, not the year you get the loan or the year you repay the loan.

### Qualified Education Expenses for Education Credits

Qualified expenses are amounts paid for tuition, fees and other related expense for an eligible student that are required for enrollment or attendance at an eligible educational institution. You must pay the expenses for an academic period\* that starts during the tax year or the first three months of the next tax year.

Eligible expenses also include student activity fees you are required to pay to enroll or attend the school. For example, an activity fee that all students are required to pay to fund all on-campus student organizations and activities.

**For AOTC only**, expenses for books, supplies and equipment the student needs for a course of study are included in qualified education expenses even if it is not paid to the school. For example, the cost of a required course book bought from an off-campus bookstore is a qualified education expense.

See our [Education Credits Frequently Asked Question](#) page for more information.

### Expenses that Do Not Qualify

Even if you pay the following expenses to enroll or attend the school, the following are not qualified education expenses:

- Room and board
- Insurance
- Medical expenses (including student health fees)
- Transportation
- Similar personal, living or family expenses

### Sports, games, hobbies or non-credit course

Expenses for sports, games, hobbies or non-credit courses do not qualify for the education credits or tuition and fees deduction, except when the course or activity is part of the student's degree program. **For the Lifetime Learning Credit only**, these expenses qualify if the course helps the student acquire or improve job skills.

## Course of Study and LLC

You must pay the expenses for higher education that result in a degree or other recognized education credential. **For the Lifetime Learning Credit**, you can qualify if you take the course to acquire or improve your job skills.

### Academic Period

You must pay the qualified education expenses for an academic period that starts during the tax year or the first three months of the next tax year. Academic periods can be semesters, trimesters, quarters or any other period of study such as a summer school session. Academic periods are determined by the school. For schools that use clock or credit hours and do not have academic terms, the payment period may be treated as an academic period.

### Expenses Cannot Be Paid with Tax-Free Funds

You cannot claim a credit for education expenses paid with tax-free funds. You must reduce the amount of expenses paid with tax-free grants, scholarships and fellowships and other tax-free education help.

## What if the Student Withdraws from Classes?

You can claim the credits for any amounts not refunded if the student withdraws.

## Refund of Qualified Education Expenses

See Publication 970 for information on what to do if you receive a refund of qualified education expenses during the tax year.

[Return to Education Credits home page](#)

### Education Benefit Resources

**Information for Schools, Community and Social Organizations on our [Refundable Credits Toolkit](#)**

**Tax Preparer Due Diligence Information on our [Tax Preparer Toolkit](#)**

### Watch out for these common errors made when claiming education credits

- Students listed as a dependent or spouse on another tax return
- Students who don't have a Form 1098-T showing they attended an [eligible educational institution](#)
- Students who are not paying [qualified education expenses](#)
- Claiming the credit for a student not attending a college or other higher education

### Find more answers to the questions you ask about the education credits

See both [Education Credits: Questions and Answers](#) and [Education Credits Frequently Asked Questions](#)

### More education benefit resources

- [Education Credits--AOTC and LLC](#)
- [American Opportunity Tax Credit](#)
- [Lifetime Learning Credit](#)
- [Compare Education Credits](#)
- [Interactive App- "Am I Eligible to Claim an Education Credit?"](#)
- [No Double Benefits Allowed](#)
- [Qualified Education Expense](#)
- [Eligible Educational Institution](#)
- [Tax Benefits for Education: Information Center](#)

### Technical Forms and Publications

- [Publication 970, Tax Benefits for Education](#)
- [Form 8863, Education Credit](#)
- [Form 8863 Instructions](#)
- [Form 1098-T](#)
- [Form 1098-E and T Instruction](#)

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