

**Marlies Y. Hendricks CPA PLLC**  
**2016 US Tax Year**

Education	Description	\$	
<b>Coverdell ESA (Education IRA)</b>			
Contribution Limit per beneficiary		\$2,000	
<i>Note: Contributions are nondeductible</i>			
<i>Credits are phased out at AGI amounts of:</i>			
Joint Filers		\$190,000 -	\$220,000
Individual, Head of Household		\$95,000 -	\$110,000
<b>Tax Free Scholarships</b>			
Scholarships, fellowships and grants are tax free if:			
-The taxpayer is a degree candidate at an eligible education institution, and			
-the taxpayer uses the funds to pay qualified education expenses.			
<b>New York College Choice 529 Plan</b>			
Contributions Limit up to	For Single are deductible for NY	\$5,000	
Contributions Limit up to	For Married filing jointly taxpayers are deduct. for NY	\$10,000	
<i>Qualified expenses include computer software and hardware or internet access to be used by the beneficiary and the beneficiary's family during any of the years the student is enrolled at an eligible institution.</i>			
<b>Education Credits/Deductions</b>			
American Opportunity credit	MAX	Per student, per return; up to 40% refundable	\$2,500
<i>100% of first \$2,000 + 25% of next \$2,000 for qualifying expenses of taxpayer, spouse or dependent</i>			
<i>2016 credit available for first four years of higher education for at least half time study (incl. course materials, incl. books).</i>			
<i>Treat nontaxable scholarship as taxable to claim credit</i>			
<i>A student can choose to apply an unrestricted scholarship toward nonqualified expenses, such as room and board and report as income to qualify for the American Opportunity Credit.</i>			
<i>Credit is phased out at AGI amounts of:</i>			
Joint Filers		\$160,000 -	\$180,000
Individual, Head of Household		\$80,000 -	\$90,000
<i>Married Filing Separately Filers - Credit not allowed</i>			
<b>Lifetime Learning Credit</b>	MAX	Per return; nonrefundable	\$2,000
<i>20% of first \$10,000 of education expenses; for taxpayer, spouse or dependent</i>			
<i>Available for all years of postsecondary education and for courses to acquire or improve job skills for unlimited number of years.</i>			
<i>Student does not need to pursue a degree or other recognized education credential. Available for one or more courses.</i>			
<i>Credit is phased out at AGI amounts of:</i>			
Joint Filers		\$111,000 -	\$131,000
Individual, Head of Household		\$55,000 -	\$65,000
<i>Married Filing Separately Filers - Credit not allowed</i>			
<b>Tuition &amp; Fees Deduction (Federal)</b>			
Qualifying tuition expenses up to	Deducted from income depending on filing status	\$4,000	
<i>Deduction is phased out at AGI amounts of:</i>			
Joint Filers		\$130,000 -	\$160,000
Individual, Head of Household		\$65,000 -	\$80,000
<i>Married Filing Separately Filers - Credit not allowed</i>			
<b>Student Loan Interest Deduction</b>			
Deduction allowed up to	Of student loan interest	\$2,500	
<i>Deduction is phased out at AGI amounts of:</i>			
Joint Filers		\$130,000 -	\$160,000
Individual, Head of Household		\$65,000 -	\$80,000
<i>Married Filing Separately Filers - Credit not allowed</i>			

NOTE: THIS INFORMATION IS DESIGNED TO PROVIDE ACCURATE AND AUTHORITATIVE INFORMATION BASED ON THE GATHERING, COMPILATION & ARRANGEMENT FROM ORIGINAL GOVERNMENT IRS AND STATE PUBLICATIONS. THIS INFORMATION IS OF A GENERAL NATURE AND SHOULD NOT BE RELIED UPON FOR SPECIFIC SITUATIONS WITHOUT SEEKING THE SERVICES OF A COMPETENT PROFESSIONAL LEGAL OR ACCOUNTANT PERSON IN THE FIELD OF TAX ADVICE.