



FINANCE AND ADMINISTRATION CABINET
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

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Money Tip for Students, January 2019

Tax tips for students

Income tax season is approaching, and students may want to consider these tips from the Kentucky Higher Education Assistance Authority (KHEAA) to help the process go more smoothly.

Although you may not have earned enough to be required to file, you may be able to get a refund if your employer withheld taxes from your pay. Before you file, discuss the situation with your parents. They may be able to claim you as a dependent, which could save them thousands of dollars.

Students and parents may be able to take advantage of these programs on their federal taxes:

- **American Opportunity Credit**, available for the first four years of college.
- **Lifetime Learning Credit**, available if a taxpayer or a dependent is taking college courses to acquire or improve job skills.
- **Tuition and fees deduction**, which lets taxpayers deduct qualified education expenses paid during the year for themselves or a dependent. The expenses must be for college.
- **Student loan interest deduction**, which lets people deduct up to \$2,500 per year on federal taxes for interest paid on federal student loans.

For more detailed information about federal programs, go to www.irs.gov to download the free Publication 970 Tax Benefits for Education.

Kentucky also offers a tuition tax credit for undergraduate students who attend state colleges.

Tax rules may change from year to year, so make sure you have the most up-to-date information before filing.

KHEAA is the state agency that administers Kentucky's grant and scholarship programs, including the Kentucky Educational Excellence Scholarship (KEES). The agency also provides financial literacy videos at <http://itsmoney.kheaa.com> and free copies of "It's Money, Baby," a guide to financial literacy, to Kentucky schools and residents upon request at publications@kheaa.com.

For more information about Kentucky scholarships and grants, visit www.kheaa.com; write KHEAA, P.O. Box 798, Frankfort, KY 40602; or call 800-928-8926, ext. 6-7214.

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