

# Hope Credit and Lifetime Learning Credit

Education tax credits can help offset the costs of higher education for yourself or a dependent. The Hope Credit and the Lifetime Learning Credit are two education credits available which may benefit you. You may be able to subtract them in full from your federal income tax, rather than just deducting from your taxable income.

## The Hope Credit

- Applies only for the first two years of post-secondary education, such as college or vocational school. It does not apply to graduate and professional-level programs.
- It can be worth up to \$1,500 per eligible student, per year.
- You're allowed 100% of the first \$1,000 of qualified tuition and related fees paid during the tax year, plus 50% of the next \$1,000.
- Each student must be enrolled at least half-time for at least one academic period which began during the year.

## The Lifetime Learning Credit

- Applies to undergraduate, graduate and professional degree courses, including instruction to acquire or improve job skills.
- If you qualify, your credit equals 20% of the first \$10,000 of post-secondary tuition and fees you pay during the year, for a maximum credit of \$2,000 per tax return.

You cannot claim both the Hope and Lifetime Learning Credits for the same student in the same year.

To qualify for either credit, you must pay post-secondary tuition and fees for yourself, your spouse or your dependent. The credit may be claimed by the parent or the student, but not by both. Students who are claimed as a dependent cannot claim the credit.

These credits are phased out for Modified Adjusted Gross Income over \$43,000 (\$87,000 for married filing jointly) and eliminated completely for Modified AGI of \$53,000 or more (\$107,000 for married filing jointly). If the taxpayer is married, the credit may be claimed only on a joint return.

For more information, see Publication 970, Tax Benefits for Education, which can be obtained online at [IRS.gov](http://IRS.gov) or by calling the IRS at 1-800-TAX-FORM (1-800-829-3676).