November 26, 2018

Re: 2018 1098-T Reporting Update

Dear Student,

This letter is to inform you of recent changes to the 1098-T Tuition Statement reporting requirements, which will affect your statement this year.

**Revised Reporting Required**

Until recently, the Internal Revenue Service (IRS) permitted colleges and universities to choose between two methods for reporting Qualified Tuition and Related Expenses (QTREs) to students on the Form 1098-T. Like most universities, California State University (CSU) Channel Islands chose to report QTREs in Box 2 (payments billed for QTREs), rather than in Box 1 (payments received for QTREs). New legislation requires reporting payments received for QTREs in Box 1 of the 1098-T, rather than reporting the amount billed in Box 2.\(^1\) CSU Channel Islands has implemented this change for the tax year ending December 31, 2018.

**Transition Year Note**

One impact of this change for the tax year ending December 31, 2018, is that the payments made in 2017 for Spring, 2018 charges will not be reflected on the 2018 form. Payments will only reflect in Box 1 if the payment was posted to your account in 2018. Beginning with the tax year ending December 31, 2019, the amount in Box 1 should correlate with the amount you paid for QTREs.

**Claiming Education Credits on Your Individual Tax Return**

You should use the information on the Form 1098-T in conjunction with your own payment records to complete your individual tax return. If you have questions about how to compute an education tax credit, consult your tax professional or refer to IRS Publication 970.

Sincerely,

Student Accounting
California State University Channel Islands
Email: studentaccounting@csuci.edu

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\(^1\) See the amendments to Internal Revenue Code section 6050S under the Protecting Americans from Tax Hikes Act of 2015 (Pub. L. 114–113 (129 Stat. 2242 (2015)) (PATH). Specifically, Section 212(b) of PATH amends section 6050S(b)(2)(B)(i) to eliminate the option for eligible educational institutions to report aggregate qualified tuition and related expenses billed for the calendar year.