Re: 1098-T Reporting Update

Dear Student,

This notification is to inform you of recent changes to the 1098-T Tuition Statement reporting requirements.

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 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.* CSU Channel Islands will implement this change for the tax year ending December 31, 2018.

Impact of Reporting Change
The impact of this change for the tax year ending December 31, 2018, is that the amount reported in Box 1 does not include your Spring 2018 payments if they were paid in December, 2017. That amount is reported in Box 2 on the 1098-T for the tax year ended December 31, 2017, because fees for the Spring 2018 term were billed in that year. Since the same payments cannot be recorded twice simply because of a change in reporting method, Box 1 may not reflect the total amount paid by you for QTREs during the calendar year. 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

* 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.