

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

IRS

The Internal Revenue Service has issued frequently asked questions on how students and higher education institutions should report pandemic-related emergency financial aid grants.

Mar. 31, 2021



The Internal Revenue Service has issued frequently asked questions on how students and higher education institutions should report pandemic-related emergency financial aid grants.

Students

Emergency financial aid grants made by a federal agency, state, Indian tribe, higher education institution or scholarship-granting organization (including a tribal

organization) to a student because of an event related to the COVID-19 pandemic are

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

The tuition and fees deduction is not available for tax years beginning after December 31, 2020. For additional information on these credits and the tuition and fees deduction, see [Publication 970](#), Tax Benefits for Education.

Higher Education Institutions

Because students don't include emergency financial aid grants in their gross income, higher education institutions are not required to file or furnish Forms 1099-MISC reporting the grants made available by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) or the COVID-related Tax Relief Act (COVID Relief Act) and do not need to report the grants in Box 5 of Form 1098-T.

But any amounts that qualify for the tuition and fees deduction or the American Opportunity Credit or Lifetime Learning Credit are considered "qualified tuition and related expenses" and trigger the reporting requirements of Internal Revenue Code section 6050S. Higher education institutions must include qualified tuition and related expenses paid by emergency financial aid grants awarded to students in Box 1 of Form 1098-T.

Benefits • Income Tax • IRS

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved