

# Comparison of Education Tax Credits and Deductions





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	American Opportunity credit	Lifetime Learning credit	Student loan interest deduction	Deduction for qualified higher education expenses
<b>Credit/deduction applies to</b>	Qualified tuition and related expenses for first four years of undergraduate education	Qualified tuition and related expenses for courses taken throughout lifetime to improve or acquire job skills	Interest paid on a qualified student loan	Qualified higher education expenses paid during the year
<b>Qualified education expenses include room and board?</b>	No	No	Yes	No
<b>Maximum credit/deduction</b>	\$2,500	\$2,000	\$2,500	\$4,000 (full) \$2,000 (partial)
<b>Income limits in 2016</b>	<p><b>Single filers:</b> full credit available if modified adjusted gross income (MAGI) \$80,000 or less</p> <p>Partial credit available if MAGI between \$80,000 and \$90,000</p> <p><b>Joint filers:</b> full credit available if MAGI \$160,000 or less</p> <p>Partial credit available if MAGI between \$160,000 and \$180,000</p>	<p><b>Single filers:</b> full credit available if modified adjusted gross income (MAGI) \$55,000 or less</p> <p>Partial credit available if MAGI between \$55,000 and \$65,000</p> <p><b>Joint filers:</b> full credit available if MAGI \$111,000 or less</p> <p>Partial credit available if MAGI between \$111,000 and \$131,000</p>	<p><b>Single filers:</b> full deduction available if modified adjusted gross income (MAGI) \$65,000 or less</p> <p>Partial deduction available if MAGI between \$65,000 and \$80,000</p> <p><b>Joint filers:</b> full deduction available if MAGI \$130,000 or less</p> <p>Partial deduction available if MAGI between \$130,000 and \$160,000</p>	<p><b>Single filers:</b> \$4,000 (full) deduction available if modified adjusted gross income (MAGI) \$65,000 or less</p> <p>\$2,000 (partial) deduction available if MAGI between \$65,000 and \$85,000</p> <p><b>Joint filers:</b> \$4,000 (full) deduction available if MAGI \$130,000 or less</p> <p>\$2,000 (partial) deduction available if MAGI between \$130,000 and \$160,000</p>
<b>Less than half-time students or graduate students eligible?</b>	No	Yes	Less than half-time--no; graduate students--yes	Yes
<b>Limit on number of students in family for whom credit/deduction can be taken in same year?</b>	No	Yes, annual credit is limited to \$2,000 per tax return	No; if applicable, parents can claim the deduction for more than one child in the same year	No; if applicable, parents can claim the deduction for more than one child in the same year



<b>Credit/deduction available in same year as tax-free distribution from a Coverdell education savings account?</b>	Yes	Yes	Yes	Yes, but qualifying expenses are reduced by Coverdell ESA distributions; also deduction is not available in a tax year in which the American Opportunity credit or Lifetime Learning credit is taken for the same student
<b>Must student be enrolled for a degree or in other program leading to an educational credential?</b>	Yes	No	Yes	No
<b>Allowed if student has a controlled substance conviction?</b>	No	Yes	Yes	Yes

## IMPORTANT DISCLOSURES

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