



## Education tax credits and deductions:

# Are *YOU* eligible?

Check with a tax advisor to see if you qualify for these higher education tax benefits available for 2022.

### **The American Opportunity Credit**

Eligible students in their first four years of higher education may qualify for an annual credit for certain education expenses. For 2022, the credit is up to \$2,500.

### **Student loan interest deduction**

Student loan borrowers may be eligible to deduct up to \$2,500 in interest paid on student loans.

### **Qualified tuition reduction**

Students with qualified tuition reductions may not have to include the value of the reduction in the income they report.

### **The Lifetime Learning Credit**

Eligible students may qualify for a credit of up to \$2,000 for certain education expenses.

### **529 plan tax benefits**

Distributions from a 529 plan may be tax free if used to pay qualified education expenses, which includes up to \$10,000 paid as principal or interest on qualified student loans of the beneficiary or their siblings.

### **Have student loans?**

Check IRS Publication 970, *Tax Benefits for Education*, or consult a personal tax advisor to find out if you're eligible for a tax credit or deduction.

Learn more about saving, planning, and paying for college at [salliemae.com](https://salliemae.com).

This information is accurate as of January 20, 2023.

This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal, or accounting advice. Consult with a tax advisor for education tax credit and deduction eligibility.

The American opportunity credit and lifetime learning credit may not be allowed unless the student receives a Form 1098-T from an eligible educational institution. However, there are exceptions to this requirement. Please see IRS Publication 970 for more information.

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