

August 2018 TaxInsight



What is a Qualified Education Expense?

As you send your children back to school, you may be wondering what expenses qualify for education credits or tax-free distributions from education accounts. Use the chart below as a guide. If you have any questions, give me a call. Together we can plan how to best pay for your child's education.

Important Tax Deadlines

- Aug. 15, 2018 – Extended exempt organizations returns due
- Sept. 17, 2018 – Third-quarter estimated taxes due
- Sept. 17, 2018 – Extended partnerships and S corporations returns due
- Oct. 15, 2018 – Extended individual tax returns due

Tax Notes

The *Tax Cuts and Jobs Act* raised the Child Tax Credit from \$1,000 to \$2,000. Of this, up to \$1,400 can be a refundable credit. The Internal Revenue Service has not fully explained how this will work, but I'll let you know as soon as they issue guidance.

Did You Know?

On Aug. 21, 1911, Vincenzo Peruggia stole the Mona Lisa from the Louvre by hiding in a closet overnight. The painting was not recovered until 1913. Peruggia served seven months in jail for the theft.

Expense	Coverdell ESA	529 Plan	American Opportunity Credit	Lifetime Learning Credit
Elementary and Secondary Expenses				
Tuition	Yes	Up to \$10,000	No	No
Fees	Yes	Up to \$10,000	No	No
Room and Board	Yes	Up to \$10,000	No	No
Uniforms	Yes	Up to \$10,000	No	No
Transportation	Yes	Up to \$10,000	No	No
Post-Secondary Expenses				
Tuition	Yes	Yes	Yes	Yes
Fees	Yes	Yes	Yes	Yes
Books	Yes	Yes	Yes	Yes
Room and Board	If > than half-time	If > than half-time	No	No
Insurance	No	No	No	No
Medical Expenses	No	No	No	No
Living Expenses	No	No	No	No
Transportation	No	No	No	No