

The answers to the Vincent problem are correct in the Workbook Instructor Guide. The answers do not include the EIP.

## VINCENT 1

Van is in his second year of college, working half time toward an associate degree. In addition to the \$2,900 shown in box 1 of the 1098-T, Van paid \$200 for books required for his classes and \$500 for a laptop that he needs to turn in his assignments. Van provides a school record that shows the scholarship was an unrestricted grant. Van also received \$2,500 as an Emergency Financial Aid Grant from his college. He was told it was not taxable.

Van has not completed 4 years of postsecondary education, previously never used the American Opportunity Credit, and never had a felony drug conviction.

<input type="checkbox"/> CORRECTED (if checked)				
<b>FILER'S name</b> Street address City or town, state or province, country, ZIP or Foreign Postal Code Telephone number  SALISBURY COMMUNITY COLLEGE 1 COLLEGE WAY SALISBURY NC 28145		1 Payments received for qualified tuition and related expenses  \$2,900.00  2	OMB No. 1545-1574  <div style="font-size: 2em; font-weight: bold; text-align: center;">20XX</div>  Form 1098-T	<b>Tuition Statement</b>
FILER'S employer identification no. 20-756XXXX	STUDENT'S TIN 384-00-XXXX	3 If this box is checked, your educational institution has changed its reporting method for 20XX. <input type="checkbox"/>		<b>Copy B For Student</b>  This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.
<b>STUDENT'S name</b> Street address (including apt. no.) City or town, state or province, country, ZIP or Foreign Postal Code  VAN VINCENT 456 OVERHILL RD YOIUR CITY, YS YZ		4 Adjustments made for a prior year	5 Scholarships or grants  \$4,000.00	
8. Checked if at least half-time student <input checked="" type="checkbox"/>		6 Adjustments to scholarships or grants for a prior year	7 Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January-March 20XX+1. > <input type="checkbox"/>	
Service Provider/Acct No. (see instr.)	9 Checked if a graduate student <input type="checkbox"/>	10 Ins. contract reimb./refund		
Form <b>1098-T</b>				

VINCENT 1									
		Taxable Grant	AOC expenses	AGI	Taxable Income	Tax	EIC	Total AOC	Refund
All expenses make grant tax-free		400	0	32400	13600	1363	1555	0	1693
All expenses to AOC		4000	3600	36000	17200	1783	980	2400	2940
Bogart Calculator optimizer		2399	1999	34399	15599	1585	1244	1999	3044

## SUPPLEMENTAL EXERCISE – VINCENT 2

After completing, confirming, and recording the results of the exercise above, remove the taxable scholarship and education expenses from the return. This time Van’s son Larry is the college student—instead of Van. Larry is a full-time college sophomore, and one of his scholarships was for \$2,900 that was restricted to tuition and the other was an unrestricted grant of \$1,100. He paid \$200 for books required for his classes and \$500 for a laptop that he needs to turn in his assignments. He has never used the American Opportunity Credit and has never had a felony drug conviction. Larry did not have any income other than the scholarship. Complete both Larry and Van’s tax returns.

<input type="checkbox"/> CORRECTED (if checked)									
FILER'S name Street address City or town, state or province, country, ZIP or Foreign Postal Code Telephone number  SALISBURY COMMUNITY COLLEGE 1 COLLEGE WAY SALISBURY NC 28145		1 Payments received for qualified tuition and related expenses  \$2,900.00	2	OMB No. 1545-1574  <b>20XX</b>  Form 1098-T	<b>Tuition Statement</b>				
FILER'S employer identification no. 20-756XXXX	STUDENT'S TIN 385-00-XXXX	3 If this box is checked, your educational institution has changed its reporting method for 20XX. <input type="checkbox"/>			<b>Copy B For Student</b>  This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.				
STUDENT'S name Street address (including apt. no.) City or town, state or province, country, ZIP or Foreign Postal Code  LARRY D VINCENT 456 OVERHILL RD YOUR CITY, YS YZ		4 Adjustments made for a prior year	5 Scholarships or grants  \$4,000.00						
Service Provider/Acct No. (see instr.)		6 Adjustments to scholarships or grants for a prior year	7 Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January-March 20XX+1. <input type="checkbox"/>						
		8. Checked if at least half-time student <input checked="" type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>	10 Ins. contract reimb./refund					
Form <b>1098-T</b>									

VINCENT 2									
		Taxable Grant	AOC expenses	AGI	Taxable Income	Tax	EIC	Total AOC	Refund
All expenses make grant tax-free		400	0	32000	13200	1323	1619	0	1797
All expenses to AOC		1100	700	32000	13200	1323	1619	700	2496
Bogart Calculator optimizer		1100	700	32000	13200	1323	1619	700	2496

### SUPPLEMENTAL EXERCISE – VINCENT 3

Same as Supplemental Exercise 2, except that Larry also had earnings of \$9,000, working as a software coder and all his scholarships and grants were unrestricted. Larry paid \$200 for books required for his classes and \$500 for a laptop that he needs to turn in his assignments. Larry has never used the American Opportunity Credit and never had a felony drug conviction. Complete both Larry and Van's tax return.

<input type="checkbox"/> CORRECTED (if checked)			
<small>FILER'S name Street address City or town, state or province, country, ZIP or Foreign Postal Code Telephone number</small>  <b>SALISBURY COMMUNITY COLLEGE 1 COLLEGE WAY SALISBURY NC 28145</b>	<small>1 Payments received for qualified tuition and related expenses</small>  <div style="text-align: right; font-weight: bold;">\$2,900.00</div>	<small>OMB No. 1545-1574</small>  <div style="text-align: center; font-size: 2em; font-weight: bold;">20XX</div> <small>Form 1098-T</small>	<b>Tuition Statement</b>
<small>FILER'S employer identification no.</small> <div style="text-align: center;">20-756XXXX</div>	<small>STUDENT'S TIN</small> <div style="text-align: center;">385-00-XXXX</div>	<small>3 If this box is checked, your educational institution has changed its reporting method for 20XX.</small> <input type="checkbox"/>	<b>Copy B For Student</b>  <small>This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.</small>
<small>STUDENT'S name Street address (including apt. no.) City or town, state or province, country, ZIP or Foreign Postal Code</small>  <b>LARRY D VINCENT 456 OVERHILL RD YOUR CITY, YS YZ</b>	<small>4 Adjustments made for a prior year</small>	<small>5 Scholarships or grants</small>  <div style="text-align: right; font-weight: bold;">\$4,000.00</div>	
<small>Service Provider/Acct No. (see instr.)</small>	<small>6 Adjustments to scholarships or grants for a prior year</small>	<small>7 Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January-March 20XX+1. &gt;</small> <input type="checkbox"/>	
<small>8. Checked if at least half-time student</small> <input checked="" type="checkbox"/>	<small>9 Checked if a graduate student</small> <input type="checkbox"/>	<small>10 Ins. contract reimb./refund</small>	
<small>Form <b>1098-T</b></small>			

VINCENT 3									
		Taxable Grant	AOC expenses	AGI	Taxable Income	Tax	EIC	Total AOC	Refund
All expenses make grant tax-free	Van	0	0	32000	13200	1323	1619	0	1797
All expenses make grant tax-free	Larry	400	0	9400	0	0	0	0	0
All expenses to AOC	Van	0	3600	32000	13200	1323	1619	2283	3579
All expenses to AOC	Larry	4000	0	13000	450	46	0	0	-46
Bogart Calculator optimizer	Van	0	3594	32000	31200	1323	1619	2283	3579
Bogart Calculator optimizer	Larry	3994	0	12994	444	44	0	0	-44