**2023**

**Required Due Diligence Questions for Certain Income Tax Positions**

**American Opportunity Tax Credit**

The IRS requires tax return preparers to complete a due diligence checklist with all income tax returns that contain certain credits and deductions, including steep penalties for noncompliance. Your return qualifies for the following special credits/deductions; therefore, it is imperative you read and understand this entire document. **YOUR RETURN WILL NOT BE FINALIZED UNTIL YOU SIGN AND RETURN THIS DOCUMENT TO US.**

**AMERICAN OPPORTUNITY TAX CREDIT:**

The American Opportunity Tax Credit is a credit for qualified education expenses paid for an eligible student for the first four years of higher education. To be eligible for this credit, a student must meet **ALL** the following requirements:

* Be the taxpayer, spouse, or dependent for whom the taxpayer claims on tax return.
* Be pursuing a degree or other recognized education credential.
* Be enrolled at least half time for at least one academic period beginning in the tax year.
* Not have finished the first four years of higher education at the beginning of the tax year
* Not have claimed this credit or the former lifetime learning credit for more than four tax years.
* Not have a felony drug conviction at the end of the tax year.
* Not have a filing status of Married Filing Separately

**REGARDING THE COSTS USED TO CALCULATE THIS CREDIT**

* We must have a copy of form 1098-T (provided to you by institution). If you did not actually pay the tuition shown on 1098-T form, please provide us an accounting or other receipt of payment.
* The costs eligible for this credit do NOT include costs paid for by any tax-favored type of plan like a 529 plan or Coverdell ESA or costs reimbursed by your employer.
* For the American Opportunity Credit, books & supply expenses are included as “eligible costs”
* Eligible costs apply to payments made in current tax year for periods beginning in the current tax year and the first three months of the next tax year.

**I CERTIFY UNDER PENALTY OF PERJURY:**

* **I have provided information for any persons (taxpayer, spouse, or dependent) for whom I paid tuition in the current tax year and who met every one of the above criteria.**
* **I am able to provide documentation needed to prove that I qualify for this credit if audited by the IRS.**
* **I have never been notified by the IRS that this credit was disallowed or reduced in a previous year.**
* **I have read and understand the foregoing is true and correct.**

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**Signature Date**

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**Signature Date**