




THE SOLUTION TO ALL OF  
YOUR TAX FILINGS NEEDS

**TAX PREPARATION WORKSHOP**



- Who we are
- Tax Benefits for Higher Education
- Education Credits
- Education Credit Comparison
- Sample Tax Returns



Tashia M. Flucas is the owner of  
tmf Accounting Services.

Established in the Bay Area since 2001

Trusted Advisor to Entrepreneurs, Small  
Business Owners, Investors, & Students

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### Tax Benefits for Higher Education



The wisest thing we can do is to invest in our education.  
But did you know that this investment is also a tax benefit?  
Today you will learn about the different types of education credits and you can choose the education benefit that will give you the lowest tax.

### Tax Benefits for Higher Education



Did you pay any student loan interest in 2009?  
  
This can reduce your AGI {adjusted gross income} up to \$2500 and reduce your tax

### Education Credits



A tax education credit reduces the amount of income tax you may have to pay – which directly reduces the tax itself.  
  
A tax education deduction reduces the amount of income subject to tax

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**Education Credits**



- American Opportunity {Hope} Tax Credit
- Lifetime Learning Tax Credit
- Higher Education Tax Deduction


**Education Credits**



The American Opportunity {Hope} Tax Credit

- You can claim up to \$2500 for yourself and eligible dependents
- You must be enrolled at least ½ time in a degree/certificate program
- Only Available for tax years '09 & '10

**Education Credits**



Lifetime Learning Tax Credit

- You can claim up to \$2000 for yourself and eligible dependents per return
- There is no limit on the # of years the credit can be claimed

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## Education Credits



### Higher Education Tax Deduction

- You can deduct up to \$4000 per return
- The deduction is based on qualified expenses paid
- This deduction can benefit you if you do not qualify for the other education credits

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## Education Credits Comparison



Comparison of Major Features of the American Opportunity Tax Credit (Hope Credit) and the Lifetime Learning Credit

Feature	American Opportunity Credit (Hope Credit)	Lifetime Learning Credit	Higher Education Tax Deduction
Type of benefit	20% of the credit is refundable except if a child subject to kiddie tax claims the credit.	Non-refundable tax credit cannot exceed tax liability.	Above the line tax deduction (Effect is not tied to liability).
Years applicable	2009 and 2010	Indefinite	2009
Maximum benefit	\$4,000 (1,000 if less than \$2,000 in qualified expenses, 25% of second \$2,000 per student)	\$2,000 or 10% of first \$10,000 of qualified expenses per return.	\$2,000 maximum per child per return (but only \$2,000 maximum deduction for dependent students).
Income limit	For 2009, credit begins to phase out at \$80,000 (single) and \$160,000 (joint returns).	For 2009, credit begins to phase out at \$50,000 (single) and \$100,000 (joint returns).	Deduction available to taxpayers with adjusted AGI up to \$4,000 for single filers, \$8,000 for joint filers. From 2009, the limit from \$40,000 now states adjusted AGI up to \$10,000 and \$20,000 deductible for joint returns.
Postsecondary education expenses qualifying for benefit	Tuition, fees and course materials required for enrollment.	Tuition and fees required for enrollment.	Tuition and fees required for enrollment.
Type of postsecondary education	Any 4 years of undergraduate education when enrolled on at least a half-time basis in a program leading to a degree, certificate, or certificate.	For each year of undergraduate or graduate enrollment with no limit on the intensity of enrollment or the type of program.	For each year of undergraduate or graduate enrollment with no limit on the intensity of enrollment or the type of program.

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## Sample Tax Return



Sample tax return form showing various income and deduction categories. The form includes sections for Adjusted Gross Income, Taxable Income, and Tax. It also lists various deductions such as Charitable contributions, State and local taxes, and Mortgage interest.

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**"It takes Teamwork, to  
make the Dream work"**



Contact:

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*For a complimentary consultation*

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