

# Will the new HOPE 'Scholarship' help you?

The Taxpayer Relief Act of 1997 establishes a tax credit called the HOPE Scholarship. If you and/or any immediate family members in your household will be enrolled at least half-time in the first two years of higher education after January 1, 1998, you may qualify for some of that tax relief.

The following information may help you determine eligibility and is given to alert you to the need to save receipts from tuition and fees paid after Jan. 1, 1998 to any community college or university. Proof of enrollment and expenses will be needed in order to claim the tax credit when 1998 tax returns are filed in 1999. Your tax advisor can address questions specific to your situation.

**Q. What is the HOPE Scholarship?**

**A.** First, it is technically not a "scholarship." It is a federal tax credit available to eligible students or their parents during the first two years of postsecondary education. The tax credit covers 100 percent of the first \$1,000 of tuition and fees and 50 percent of the second \$1,000 paid by a student during the qualified period. The credit is non-refundable. That means it can only be applied to income tax liability; if you pay no taxes, there is no \$1,500 refund.

**Q. What is a federal tax credit?**

**A.** Your federal income tax bill is "credited" by the amount of the tax credit just as if you paid that amount. It is applied directly to the amount of taxes owed, thereby lowering your federal income tax and saving you money.

**Q. Who is eligible?**

**A.** To be eligible, a student must be enrolled:  
 - at least half-time (six credit hours) and  
 - in a degree or certificate program and  
 have no felony conviction related to the possession or distribution of a controlled substance such as marijuana or heroin.  
 The credit is available to the student if he/she is an independent tax filer or to a parent who claims the student as a dependent as long as the following income guidelines are met:  
 - for an individual tax filer, income must be less than \$50,000;  
 - for joint tax filers, income must be less than \$100,000.

**Q. When does it take effect?**

**A.** The HOPE tax credit applies for expenses paid after Dec. 31, 1997, and for education provided in academic periods beginning after that date.

**Q. How long is it available?**

**A.** The HOPE tax credit is available for two tax years to those students who have not completed the first two years of postsecondary education.

**Q. What expenses are included in the HOPE Scholarship tax credit?**

**A.** Tuition and fees costs are included, but costs of books, room and board or transportation are *not*.

**Q. How do I apply for the Hope Scholarship tax credit?**

**A.** Eligible individuals will claim the credit when they file 1998 federal income tax forms in 1999. Details are still being worked out, but it is likely that students filing for the tax credit will have to complete a separate tax schedule similar to those required for interest and dividend income or child care expenses. *To verify enrollment and expenses, students should retain receipts from tuition and fees paid after Jan. 1, 1998.*

**Q. Does the tax credit affect my Pell Grant or other financial aid?**

**A.** The amount of tuition and fees covered by the HOPE tax credit is reduced by the amount of other grant and scholarship aid received. This includes scholarship funds excluded from an individual's gross income, as well as federal grant aid such as Pell Grants.  
*Examples:* A student who pays \$1,250 in tuition and fees and receives a Pell Grant of \$700 is eligible for a tax credit of \$550. A student whose tuition and fees totalling \$1,250 are completely covered by a Pell Grant is not eligible for the tax credit.

**Q. Is there anything in the tax act that benefits students enrolled in less than six credit hours?**

**A.** The Lifetime Learning Credit allows less than half-time students as well as college juniors and seniors

The tax measure, signed into law by President Bill Clinton August 5, takes effect Jan. 1, 1998, and applies to education paid for and provided in academic periods beginning after that date.

The Clinton Administration has made the HOPE Scholarship the centerpiece of its 1997 education/tax-cut package, vowing to make the first two years of college the new standard for U.S. students.

The questions and answers below, provided with cooperation from the American Association of Community Colleges, contain important facts you need to know.

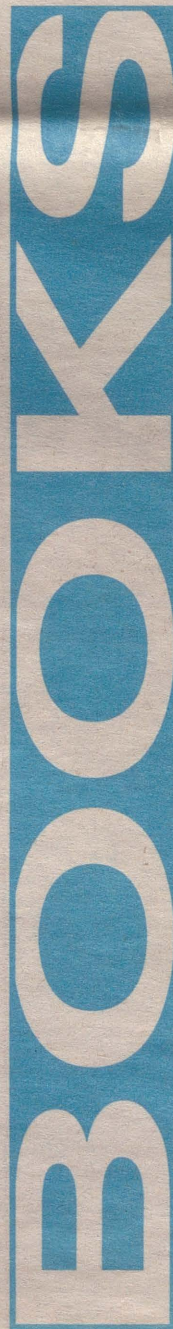
a tax credit worth 20 percent of the first \$5,000 of tuition and fees paid after June 30, 1998, through the year 2002, and 20 percent of the first \$10,000 tuition and fees after that. Income guidelines are the same as for HOPE; the Lifetime Learning Credit and the HOPE tax credit cannot be claimed during the same year.

**Q. Where can I get more information about the HOPE Scholarship tax credit?**

**A.** A tax advisor familiar with your situation can provide the best

information. For questions specifically concerning enrollment at Alpena Community College you may contact Max Lindsay, 356-9021 Ext. 200 when office hours resume January 2 after the holiday break.

The web site of the American Association of Community Colleges at <http://www.aacc.nche.edu> has details of other education benefits in the tax measure, including deduction of student loan interest and exemption of employer-provided assistance.



## ACC Bookstore Expands Hours For Semester Start-Up

### Alpena Campus — Besser Technical Center 104

During semester start-up, January 5 - 23, the ACC Bookstore at the Alpena Campus will be open during the evening registration hours until 8; other days until 5 (*even Fridays*) to better serve your book-buying and supplies needs.

#### Alpena Campus Bookstore Start-Up Hours

January 5 - 6	9 a.m. - 5 p.m.	January 12 - 13	9 a.m. - 8 p.m.
January 7 - 8	9 a.m. - 8 p.m.	January 14 - 16	9 a.m. - 5 p.m.
January 9	9 a.m. - 5 p.m.	January 19 - 23	9 a.m. - 5 p.m.

### Huron Shores Campus — 5800 Skeel Avenue, Oscoda

For the convenience of Huron Shores Campus students, the ACC Bookstore will conduct book sales on four different days in Oscoda, with hours scheduled for two afternoons and two evenings. Books can also be purchased in the Bookstore at the Alpena Campus (see hours above).

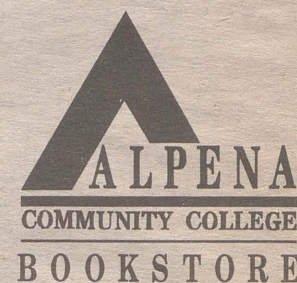
#### Huron Shores Campus Book Sales

January 7	1 p.m. - 4 p.m.	January 13	4 p.m. - 7 p.m.
January 8	4 p.m. - 7 p.m.	January 23	1 p.m. - 4 p.m.

#### Regular Hours:

9:00 a.m.-4:00 p.m.  
 Monday-Friday

**Phone:** (517) 356-9021  
 Ext. 259, 274, 299  
 Toll free 1-888-468-6222



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