The IRS has increased the due diligence requirements to claim the American Opportunity Tax Credit (AOTC) on your 2019 tax returns. As a result, we cannot use a template format as we did in prior years to meet the IRS due diligence requirements. Instead, we are required to communicate with you directly through in-person, phone, and/or email communications to confirm your responses to the required inquiries. We cannot claim the AOTC credit on your 2019 tax return unless we receive full and satisfactory responses from you to the following questions. If you prefer to schedule a phone call to discuss the criteria below rather than submitting your response by email, please communicate this preference to us in a separate email response.

Please reply to this email and type your responses next to each question in red font or using *italics* if red font is not available. The following questions apply only to **(Enter name of student here).** Please reply to the following questions as your responses relate only to the student named in this email.

American Opportunity Education Credit

1. Were you, your spouse, or your dependent enrolled in an eligible education institution in 2019? An eligible educational institution is generally any accredited public, nonprofit, or proprietary (private) college, university, vocational school, or other postsecondary institution. Also, the institution must be eligible to participate in a student aid program administered by the Department of Education. An eligible educational institution also includes certain educational institutions located outside the United States that are eligible to participate in a student aid program administered by the Department of Education. Please see this website for a list of U.S. and foreign qualifying education institutions: <https://ifap.ed.gov/ifap/fedSchoolCodeList.jsp> If yes, please write the name of the educational institution in the response for this question. If the student attended more than one educational institution during 2019, please specify that there is more than one institution so we may obtain the required information for each institution. **RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
2. Did you, your spouse, your dependent, or a third party (relative) pay for qualified education expenses in 2019? Generally, qualified education expenses are amounts paid in 2019 for tuition and fees required for the student's enrollment or attendance at an eligible educational institution. Qualified education expenses include amounts paid for tuition, fees, and course materials, which include books, supplies, and equipment needed for a course of study, whether or not the materials are purchased from the educational institution as a condition of enrollment or attendance. Qualified education expenses include nonacademic fees, such as student activity fees, athletic fees, or other expenses unrelated to the academic course of instruction, only if the fee must be paid to the institution as a condition of enrollment or attendance. However, fees for personal expenses for expenses such as room and board, insurance, medical expenses (including student health fees), transportation, and other similar personal, living or family expenses are not qualifying education expenses. Additionally, expense related to any course or other education involving sports, games, or hobbies, or any noncredit course, unless such course or other education is part of the student’s degree program are not qualifying education expenses.

**RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

1. Could you, or your spouse if filing jointly, be claimed as a dependent on someone else's 2019 tax return? You could be claimed as a dependent on someone else’ 2019 tax return if another person could answer yes to either the qualifying child or the qualifying relative dependent questions on our 2019 Tax Organizer. If so, you do not need to complete the questionnaire. **RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
2. Is your filing status married filing separately? If so, you do not need to complete the questionnaire. **RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
3. If your filing status is anything other than married filing jointly, were you or your spouse a nonresident alien for any part of 2019? If so, you do not need to complete the questionnaire. **RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
4. Is the student claimed as a dependent on your tax return?If the student is not claimed as a dependent on your tax return, then you cannot claim the AOTC or other education related credits for this student. However, the student may still be able to file his/her own 2019 tax return to claim qualifying education credits. **RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
5. Did the student receive Form 1098-T from the educational institution? If yes, please provide a copy of the 1098-T. If no, please provide the reason the educational institution did not furnish the 1098-T. **RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
6. If the student did not receive a Form 1098-T, can you substantiate the payment of qualified tuition and expense in 2019? If yes, please provide copies of the substantiation for all qualifying education expenses you paid in 2019. **RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
7. If the 1098-T shows the amount paid to the educational institution in Box 1, can you substantiate the payment of qualified tuition and expense in 2019? If so, please provide documentation of the amount paid during 2019. Please be sure the documentation provided includes an itemized list of the expenses paid, the amount paid, the academic quarter/semester for which the expenses apply, and the month/day/year paid. **RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
8. Please provide the years, if any, that the Hope Scholarship Credit or American opportunity credit has been claimed for this student prior to 2019. **RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
9. Was the student enrolled at least half-time for at least one academic period that began or is treated as having begun in 2019 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential? An academic period is any quarter, semester, trimester, or any other period of study as reasonably determined by an eligible educational institution. If an eligible educational institution uses credit hours or clock hours and doesn't have academic terms, each payment period may be treated as an academic period. For 2019, treat an academic period beginning in the first 3 months of 2019 as if it began in 2019 if qualified education expenses for the student were paid in 2019 (between 1/1/2019 and 12/31/2019) for that academic period. **RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
10. As of the beginning of 2019, has the student completed the first 4 years of postsecondary education (generally, the freshman through senior years of college), as determined by the eligible educational institution? **RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
11. As of the end of 2019, has the student been convicted of a federal or state felony for possessing or distributing a controlled substance? **RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
12. Did the student receive tax-free educational assistance in 2019?Tax-free educational assistance includes: 1. the tax-free part of any scholarship or fellowship grant (including Pell grants); 2. the tax-free part of any employer-provided educational assistance; 3. Veterans' educational assistance; and 4. any other educational assistance that is excludable from gross income (tax free), other than as a gift, bequest, devise, or inheritance. If yes, please provide documentation of the tax –free educational assistance you received in 2019. **RESPONSE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Thank you for your responses. We will let you know if this satisfies our due diligence requirements or if we have additional questions.

Brenner & Elsea-Mandojana, LLC