

## **American Opportunity Credit - 2012**

The American Opportunity Tax Credit, which expanded and renamed the already-existing Hope Credit, can be claimed for tuition and certain fees you paid for higher education in 2012.

- 1.) Maximum credit of \$2,500. This credit is comprised of 100% of the first \$2,000 of qualified expenses and 25% of the next \$2,000 in qualified expenses.
- 2.) The term “qualified” includes tuition, books, supplies and equipment needed for a course of study, whether or not they are purchased from the educational institution as a condition of enrollment or attendance.
- 3.) The credit is gradually reduced for modified adjusted gross incomes between \$80,000 and \$90,000 for a single return and \$160,000 and \$180,000 if filing a joint return. The credit is phased out completely for modified adjusted gross incomes greater than \$90,000 (\$180,000 for joint filers)
- 4.) 40% of the credit may be refundable.