



Form 1098-T
and
Notice 972CG
for
Colleges and Universities



FORM 1098-T and NOTICE 972CG

Presented By:

Tax Exempt and Government Entities
Federal, State and Local Governments
(FSLG)

Pacific Area Group

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HANDOUTS

Federal, State and Local Governments – Quick Links for Government Entities

Toll-free telephone number for governmental entities: 1-877-829-5500

Email question to: tege.ask.fslg@irs.gov

8383	<input type="checkbox"/> VOID	<input type="checkbox"/> CORRECTED
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number	Payments received for qualified tuition and related expenses	OMB No. 1545-1574

2014 Instruction 1098-E and Student Loan Interest Section reference unless otherwise indicated		Form W-9S (Rev. March 2008) Department of the Treasury Internal Revenue Service	Request for Student's or Borrower's Taxpayer Identification Number and Certification	Give form to the requester. Do not send to the IRS.
FILER'S federal identification no.		STUDENT'S name		
STUDENT'S name		Street address (including apt. no.)		
City or town, state or province, country, and ZIP or foreign postal code		Service Provider/Acct. No. (see instr.)		
8 Check if at least half-time student		9 C D		
Form 1098-T Do Not Cut or Separate		Form 1098-T IRC §6050S & Treasury Regulations 1.6050S-1		

Notice 2006-72

This notice contains questions and answers that provide guidance on the information required to be reported on Form 1098-E and Form 1098-T.

Form 1098-T

IRC §6050S & Treasury Regulations 1.6050S-1

Loan account number



TOPICS

- What is a Form 1098-T?
- Who is required to file Form 1098-T?
- Who is required to receive Form 1098-T?
- What is Notice 972CG?
- What should I do if I receive a Notice 972CG?



FORM 1098-T

8383

☐ VOID ☐ CORRECTED

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		1 Payments received for qualified tuition and related expenses \$	OMB No. 1545-1574 2014 Form 1098-T	Tuition Statement	
		2 Amounts billed for qualified tuition and related expenses \$			
FILER'S federal identification no.	STUDENT'S social security number	3 Check if you have changed your reporting method for 2014 <input type="checkbox"/>			Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2014 General Instructions for Certain Information Returns.
STUDENT'S name		4 Adjustments made for a prior year \$	5 Scholarships or grants \$		
Street address (including apt. no.)		6 Adjustments to scholarships or grants for a prior year \$	7 Check this box if the amount in box 1 or 2 includes amounts for an academic period beginning January - March 2015 <input type="checkbox"/>		
City or town, state or province, country, and ZIP or foreign postal code					
Service Provider/Acct. No. (see instr.)	8 Check if at least half-time student <input type="checkbox"/>	9 Check if a graduate student <input type="checkbox"/>	10 Ins. contract reimb./refund \$		

Form 1098-T

Cat. No. 25087J

www.irs.gov/form1098t

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page



FORM 1098-T INSTRUCTIONS

Instructions for Forms 1098-E and 1098-T

- Secure and use student's social security number
- Use student's permanent address, not college address
- Filer's information, bottom left of form, used by third-party service provider
- Note whether student is enrolled at least half-time in box 8



FORM 1098-T INSTRUCTIONS

- Box 1 – Payments received during the year
- Box 2 – Amounts billed during the year
- Box 3 – Change in reporting method for the year (from payments received to amounts billed or vice versa)
- Box 4 – Reimbursements, refunds, reductions during the year for prior years
- Box 5 – Scholarships and Grants administered (third party payments received)



FORM 1098-T INSTRUCTIONS

- Box 6 – reductions to scholarships or grants reported in prior years
- Box 7 – payments received for January through March of subsequent year
- Box 8 – Social Security Number of student
- Box 9 – Graduate student check box
- Box 10 – for use by insurers



FORM W-9S

Form **W-9S**

(Rev. March 2008)

Department of the Treasury
Internal Revenue Service

Request for Student's or Borrower's Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Part I Student or Borrower Identification (All must complete.)

Print or type	Name of student or borrower (see instructions)	Taxpayer identification number
	Address (number, street, and apt. or suite no.)	
	City, state, and ZIP code	

Part II Student Loan Certification (Complete for student loans only.)

I certify that all of the loan proceeds are solely to pay for qualified higher education expenses.

Sign
Here

Signature of borrower ►

Date ►

Part III Requester Information (Optional)

Requester's name and address	Tuition account number
	Loan account number



FORM 1098-T

WHO SHOULD FILE

Eligible educational institution

- College, University, Vocational School, other post-secondary educational institution
- Described in §481 Higher Education Act of 1965 (as in effect 8/5/1996)
- Eligible to participate in Department of Education student aid programs



FORM 1098-T

WHAT TO REPORT

- Amounts paid for Qualified:
 - Tuition
 - Fees
 - Course materials
 - Related expenses
- Required for student to be enrolled at or attend eligible educational institution



FORM 1098-T

WHAT NOT TO REPORT

Amounts paid for:

- Courses in sports, games, hobbies (unless part of student's degree program)
- Charges for room, board, insurance, medical expenses, transportation



FORM 1098-T

EXCEPTIONS TO REPORTING

- Courses for which no academic credit is offered, even if the student is otherwise enrolled in a degree program
- Nonresident alien students, unless requested by the student
- Students whose qualified tuition and related expenses are entirely waived or paid entirely with scholarships



FORM 1098-T

EXCEPTIONS TO REPORTING

- Students for whom you do not maintain a separate financial account and whose qualified tuition and related expenses are covered by a formal billing arrangement between an institution and the student's employer or a governmental entity, such as the Department of Veterans Affairs or the Department of Defense.



FORM 1098-T

WHO GETS FORM 1098-T

- Students enrolled for any academic period
- For whom a reportable transaction is made
 - Amounts received
 - Amounts billed
 - Reimbursements or reductions in charges for amounts previously reported
- Exception – non-resident aliens unless they request the form (then must meet § 6050-S provisions & provide SSN/ITIN)



FORM 1098-T

HOW TO ISSUE FORM 1098-T

- By paper
- Electronically – Treasury Regulations 1.6050S-2(a)(2) through (6)
 - Secure consent of student
 - Meet consent, disclosure, format, notice and access period requirements



NOTICE 972CG



Department of the Treasury
Internal Revenue Service

PHILADELPHIA, PA 19225-0633

IF YOU WRITE OR
CALL US, REFER TO
THIS INFORMATION

NOTICE NUMBER: 972CG

BOD CODE: TE2

DATE OF THIS NOTICE:

MM/DD/YYYY

TAXPAYER IDENTIFICATION

NUMBER: NN-NNNNNNN

FORM: CVL PEN

TAX PERIOD: YYYYMM

PENALTY REFERENCE

CODE: 505

FOR INFORMATION,

PLEASE CALL:

1-866-455-7438

A PENALTY IS PROPOSED FOR YOUR YYYY INFORMATION RETURNS

ACTION REQUIRED



NOTICE 972CG

CONTENTS

- Explanation of proposed penalty
- Explanation of how to respond to the notice
- A record of each submission considered in the penalty
 - Form type,
 - Date received (if late filed)
 - Whether returns were original or amended
 - Transmitter control code (for electronic filers)
 - Type(s) of penalty(s) that apply



NOTICE 972CG

CONTENTS

- Listing of all incorrect or missing payee names/TINs, if the penalty is for mismatched Names/TINs
- Summary of proposed penalty, including all penalties proposed and maximum penalty that can be assessed under IRC 6721
- Response page



NOTICE 972CG

RESPONSE DUE DATE

- In writing within 45 days of notice date (or by extension date)
- If unable to respond within the 45 days - request extension in writing to Philadelphia Campus using mail stub included with Notice 972CG before expiration of 45-day period
- Follow up request for extension with telephone call to Philadelphia Campus (telephone number on notice) to inform them that the request has been sent



NOTICE 972CG

RESPONSE REQUIREMENTS

Include with response:

- Response page
- Payment slip
- No other part of the Notice 972CG
- Proof of solicitation of TINs (do not submit copies of the solicitations unless requested by an IRS employee)



NOTICE 972CG

RESPONSE EXPLANATION

Provide detailed explanation of:

- Written explanation substantiating reasonable cause for waiver of the penalty (see Treasury Regulation 301.6724-1(m))
- Demonstrate that institution acted in a responsible manner both before and after the failure
- Steps taken to comply with Code and Regulations provisions



NOTICE 972CG

ACTING IN A RESPONSIBLE MANNER

Treasury Regulations §1.6050S-1

- Initial solicitation of SSNs from students
- Subsequent solicitations (by mail, by telephone or electronically) when individuals did not comply with initial solicitation
- If no TIN provided, file and furnish F1098-T without TIN, but include all other required information



NOTICE 972CG

MANNER OF SOLICITING TIN

- In writing
- Clearly notify individual that the law requires the individual to provide the TIN for purposes of filing an information return
- Use of Form W-9S satisfies requirement of Treasury Regulations §1.6050S-1(e)(3)(iii)
- May establish electronic system to secure TINs
- May develop separate form and instructions (e.g., as part of enrollment package)



NOTICE 972CG

ESTABLISHING REASONABLE CAUSE

- Significant mitigating factors (e.g., history of filing Information Returns with correct TINs)
- Failure due to events beyond filer's control (e.g., even though requested to do so, the students did not provide the SSN)
- Planned actions that have been or will be implemented in order to be in compliance in the future



NOTICE 972CG

EXPLANATION ACCEPTED

- If reply established reasonable cause, filer will receive Letter 1948C stating the explanation was accepted



NOTICE 972CG

EXPLANATION REJECTED

- If reply does not establish, or only partially establishes reasonable cause, penalty will be assessed and balance due Notice CP15/215 sent with letter explaining appeal rights
- If filer agrees with proposed penalty, send payment with the response page
- If filer does not send a response to Notice 972CG within 45 days (or extension date) balance due Notice CP15/215 for full amount of penalty will be issued



FORM 1098-T and NOTICE 972-CG REFERENCE MATERIALS

- Internal Revenue Code §6050S
- Treasury Regulations §1.6050S-1 & 2
- Internal Revenue Code §§6721 & 6722
- Publication 970
- Publication 1586
- Instructions for Forms 1098-E and 1098-T
- General Instructions for Certain Information Returns
- Notice 2006-72



PACIFIC AREA GROUP

AK, CA, HI, NV, OR, WA, Territories

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FORM 1098-T and NOTICE 972-CG

QUESTIONS?



FORM 1098-T and NOTICE 972-CG

**Thank You
for joining us
today**