Tax Preparer Due Diligence Checklist

The tax preparer will interview the taxpayer to determine the eligibility to claim the AOTC. The tax preparer will document with notes and make copies of documents used in the interview. If documentation is not provided at the time of the interview then the taxpayer will be asked if documentation could be provided to substantiate the claim.

American Opportunity Credit (AOTC) is a credit for qualified education expenses paid for an eligible student for the first four years of higher education. You can get a maximum annual credit of $2,500 per eligible student. If the credit brings the amount of tax you owe to zero, you can have 40 percent of any remaining amount of the credit (up to $1,000) refunded to you. Qualified education expenses are amounts paid for tuition, fees and other related expenses for an eligible student. Expenses for books, supplies and equipment the student needs for a course of study are included in qualified education expenses even if it is not paid to the school. Expenses that Do Not Qualify: room and board, insurance, medical expenses (including student health fees), transportation, similar personal, living or family expenses. You will receive a Form 1098-T, Tuition Statement, from the school.

To be eligible for AOTC, the student must:
1. Be pursuing a degree or other recognized education credential
2. Be enrolled at least half time for at least one academic period* beginning in the tax year
3. Not have finished the first four years of higher education at the beginning of the tax year
4. Not have claimed the AOTC or the former Hope credit for more than four tax years
5. Not have a felony drug conviction at the end of the tax year

If documentation has not been provided during the interview, could the taxpayer provide documentation to substantiate eligibility for the amount of the credits claimed on the tax return?

Yes, I can provide documentation _____
No, I do not have copies of any paperwork _____

Taxpayer Signature _____   **Date** _____

Spouse Signature _____   **Date** _____