

There are several differences and some similarities between the American Opportunity Tax Credit (AOTC), the Lifetime Learning Credit (LLC) and the deduction for tuition and fees. You can claim all three benefits on the same return but not for the same student or the same qualified expenses. See "[No Double Benefits Allowed](#)" for more information on claiming one or more education benefits.

## Tax Year 2020 Education Benefits Comparison

Criteria	AOTC	LLC
Maximum benefit	Up to \$2,500 credit per eligible student	Up to \$2,000 credit per re
Refundable or nonrefundable	40% of credit (refundable)	Not refundable
Limit on <u>MAGI</u> * for married filing jointly	\$180,000	\$138,000
Limit on <u>MAGI</u> * for single, head of household, or qualifying widow(er)	\$90,000	\$69,000
If married can you file a separate return?		No
Dependent status	Cannot claim benefit if someone else can claim you as a dependent	
Can you or your spouse be a nonresident alien?	No, unless nonresident alien is treated as resident alien for tax purposes (see Section 519 for information on nonresident alien status)	

Number of years of post-secondary education available	Only if student hasn't completed 4 years of post-secondary education before 2020	All years of post-secondary education acquire or improve job s
Number of tax years benefit available	4 tax years per eligible student (includes any years former Hope credit claimed)	Unlimited
Type of program required	Student must be pursuing a degree or other recognized education credential	Student does not need to be pursuing recognized education cred
Number of courses	Student must be enrolled at least half time for at least one academic period beginning in 2020	Available for one or more c
Felony drug conviction	Students must have no felony drug convictions as of the end of 2020	Does not apply
Qualified expenses	Tuition, required enrollment fees and course materials needed for course of study	Tuition and fees required for enrollme
For whom can you claim the benefit?	<ul style="list-style-type: none"> <li>You</li> <li>Your spouse</li> <li>Student you claim as a dependent on your return</li> </ul>	<ul style="list-style-type: none"> <li>You</li> <li>Your spouse</li> <li>Student you claim as a dependi</li> </ul>

Who must pay the qualified expenses?

- You or your spouse
  - Student
  - Third party<sup>^</sup>
- You or your spouse
  - Student
  - Third party<sup>^</sup>

Payments for academic periods

Made in 2020 for academic periods beginning in 2020 or the first 3 r

Do I need to claim the benefit on a schedule or form?

Yes, Schedule 3 of Form 1040 [PDF](#) and Form 8863, Education Credits [PDF](#)  
Form 8863 Instructions [PDF](#)

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Education Credits [PD](#)  
Form 8863 Instructions [PDF](#)

<sup>^</sup> **Third Party**-Qualified education expenses paid by a third party for you or a student you claimed as a dependent on your return are considered paid by you for the AOTC and LLC. Payments by third parties include amounts paid by relatives or friends.

\* **MAGI**, *modified adjusted gross income*: For most people, MAGI is the amount of AGI, adjusted gross income, shown on your tax return. If you file Form 1040 or Form 1040SR, AGI is on line 8b and you add back the following:

1. Foreign earned income exclusion,
2. Foreign housing exclusion,
3. Foreign housing deduction,
4. Exclusion of income by bona fide residents of American Samoa, and
5. Exclusion of income by bona fide residents of Puerto Rico.

If you need to adjust your AGI to find your MAGI, there are worksheets in the Publication 970 [PDF](#) to help you.

## Education Benefits Resources