



## NEWS RELEASE

FOR IMMEDIATE RELEASE

### WITH TAX FILING SEASON UNDERWAY, SALLIE MAE REMINDS FAMILIES ABOUT OFTEN-OVERLOOKED EDUCATION TAX CREDITS AND DEDUCTIONS

#### *Higher Education Credits and Deductions Can Add Up to \$1,200 in Average Tax Savings*

**NEWARK, DEL., March 4, 2015** – Sallie Mae, the nation’s saving, planning and paying for college company, today released information to help families take advantage of higher education tax credits and deductions. Taxpayers who paid tuition, fees, or interest on a student loan may be eligible for higher education credits and deductions.

Last year, the federal government provided more than \$15.6 billion in education credits and deductions with families receiving an average of about \$1,200 according to The College Board. Yet, according to “How America Pays for College,” an annual study conducted by Sallie Mae and Ipsos, less than half of American families used tax credits and deductions as a way to help cover tuition costs.

“Families tell us they don’t want to spend more on college than necessary,” said Martha Holler, senior vice president, Sallie Mae. “Higher education tax deductions and credits are an effective way to reduce your college costs, so study up and claim yours this year.”

Sallie Mae recommends students and families explore these various tax options in order to capitalize on savings.

- **The American Opportunity Tax Credit.** Eligible taxpayers may qualify for a maximum annual credit of \$2,500 per student. To be eligible, the student must be enrolled at least half-time in a degree or other recognized educational credential, and cannot have completed the first four years of postsecondary education before 2014. The credit can be applied to course-related books and supplies, in addition to tuition and fees. The American Opportunity Tax Credit is available to taxpayers with a joint adjusted gross income as high as \$180,000.
- **The Lifetime Learning Credit.** Eligible taxpayers may qualify for up to \$2,000 per tax return to help pay for undergraduate, graduate and professional degree courses – including courses designed to improve job skills. There is no limit on the number of years an individual can claim the Lifetime Learning Credit. The Lifetime Learning Credit is available to taxpayers with modified adjusted gross income less than \$64,000 or \$128,000 if filing jointly. A family may not claim more than one credit for the same student in any one year.

- **Student Loan Interest Deduction.** Student loan borrowers are eligible for up to \$2,500 in student loan interest deductions to offset income subject to tax. Available for both federal and private education loans in repayment, those with a joint modified adjusted gross income less than \$160,000 qualify for this deduction. In 2012, 10.8 million taxpayers deducted \$10.7 billion in student loan interest, generating about \$1.7 billion in tax savings.
- **Tuition and Fees Deduction.** Students and families can use up to \$4,000 in expenses for higher education to offset income subject to tax. This deduction is taken as an adjustment to income, however, an individual does not need to itemize other deductions. Individuals can file for this deduction with a joint modified adjusted gross income of up to \$160,000.

Additional information on education tax credit and deductions is available through the Internal Revenue Service Publication 970, Tax Benefits for Education, or through a personal tax advisor.<sup>1</sup>

When it comes to paying for college, Sallie Mae recommends families follow its 1-2-3 approach: first, maximize money that does not need to be repaid such as scholarships and grants; second, explore federal student loans; and, third, consider a responsible private education loan.

Join the conversation on how to save, plan and pay responsibly for college at [Facebook.com/SallieMae](https://www.facebook.com/SallieMae) and [Twitter.com/SallieMae](https://twitter.com/SallieMae).

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**Sallie Mae (NASDAQ: SLM)** is the nation's saving, planning, and paying for college company. Whether college is a long way off or just around the corner, Sallie Mae offers products that promote responsible personal finance including private education loans, Upromise rewards, scholarship search, college financial planning tools, insurance, and online retail banking. Learn more at [SallieMae.com](https://www.SallieMae.com). Commonly known as Sallie Mae, SLM Corporation and its subsidiaries are not sponsored by or agencies of the United States of America.

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<sup>1</sup> This information is not meant to provide tax advice. Whether filing jointly or separately, consult with a tax advisor for education tax credit and deduction eligibility.