



**The University of
Montana – Helena**
COLLEGE OF TECHNOLOGY

College-Related Federal Tax Provisions

UM-Helena students and families may be eligible for selected education-related tax provisions of the Federal Taxpayer Relief Act of 1997, including:

1. Hope Scholarship Tax Credit provides a maximum \$1,500 per year tax credit (non-refundable) for each eligible taxpayer for the first two years of college.
2. Lifetime Learning Tax Credit provides a maximum \$2,000 per year tax credit (non-refundable) per family for years of eligible undergraduate or graduate/professional study after the first two years of college.
3. Student Loan Interest Deduction provides a non-refundable deduction (not credit) of interest on qualified education loans used to finance qualified education expenses. The maximum deduction each taxpayer is permitted to take is \$2,500.
4. IRA withdrawals eliminate the 10% penalty for early withdrawal of tax-deductible amounts placed in Individual Retirement Accounts (IRA) used to pay qualified educational expenses.
5. IRA contributions provide a new education IRA for tax years beginning after December 31, 1997.

Note: Students are advised that there are numerous eligibility requirements and other specifics contained in the tax provisions and should contact their tax advisor before making decisions.