

There are currently several tax benefits available for higher education. The American Opportunity Credit and Lifetime Learning Credit are available for educational expenses paid by the parent for their student and are a direct credit towards tax liability. Deductions are available for student loan interest as well as tuition and fees expense. The tax code also allows for an education exception to the additional tax on early IRA distributions and the ability to cash in education savings bonds tax free. Because the specifics on each of these programs vary according to individual circumstances, we encourage you to discuss these options with your tax advisor.