

# Iowa's Tuition and Textbook Credit

*Don't Miss this Tax Credit for Eligible K-12 Education Expenses!*

The Iowa Income Tax Return includes a credit for eligible education expenses for dependent K-12 students. Many Iowans can reduce their income tax bills by keeping records of qualifying expenses.

## Key Facts to Know:

- **Only certain types of expenses are eligible (details on reverse)**
- **The maximum allowable expense per child is \$1,000**
- **The tax credit is 25% of eligible expenses, so the maximum credit per child is \$250.**

It is not typical for public school students to incur \$1,000 of eligible expenses, so most families should *not* expect a tax credit of \$250 per child. For many younger children, the only eligible expenses might be school registration fees and supplies such as notebooks, folders and crayons. In such situations, total qualifying expenses might be just \$100 or so. But for a family with two children who each incurred \$100 of qualifying expenses, that still means a tax credit of \$50!

As children get older and become involved in specialized classes and school-sponsored extra-curricular activities, some of those expenses will qualify. Typically, high school-aged students have somewhat higher school-related expenses than younger students.

## Spend some time, save some money!

Consider this: if you spend an hour setting aside receipts in a safe place, and that allows you to save \$50 on your income tax, then it is just like "earning" \$50 for an hour of work!

## Completing Your Tax Return

The K-12 credit is found on line 48 of the Iowa Form 1040 (long form only – you must use the long form to claim this credit). Each year, information about the credit is found in the 1040 instruction booklet, and full details about qualifying expenses

are found in the Expanded Instructions ([www.iowa.gov/tax/](http://www.iowa.gov/tax/)).

## Who can claim the credit?

The child must be your dependent in order for you to claim the credit. In the case of divorced or separated parents, only the parent who claims the child as a dependent can claim the credit, and he/she can use only the expenses he/she paid. Dependents must have attended a school in Iowa that is accredited under section 256.11, is not operated for a profit and adheres to the provisions of the U.S. Civil Rights Act of 1964. Expenses for home schooling, tutoring, or schooling outside an accredited school do not qualify for the credit.

## What about Pre-K?

Even though Pre-Kindergarten classes are typically provided by the school district and located in a school building, Pre-K is treated like pre-school for tax purposes. Therefore, expenses for Pre-K may *not* be used for the K-12 Credit, but *may* be used for the Early Childhood Development Tax Credit, found on line 64. This refundable credit provides even greater tax benefit.

## Excluded categories:

School lunches, transportation, and clothing for everyday wear are not considered educational expenses.

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Cooperative Extension Service, Iowa State University of Science and Technology, and the United States Department of Agriculture cooperating.

## IOWA TUITION AND TEXTBOOK CREDIT (from Iowa Expanded Instructions)

“**Tuition**” means any charges for the expense of personnel, buildings, equipment and materials other than textbooks, and other expenses that relate to the teaching of only those subjects legally and commonly taught in Iowa’s public elementary and secondary schools.

“**Textbooks**” means books and other instructional materials used in teaching those same subjects. This includes fees, books and materials for extracurricular activities.

**Examples of extracurricular activities:** sporting events, speech activities, musical or dramatic events, driver’s education (if paid to a school), awards banquets, homecoming, prom (clothing does not qualify), and other school related social events.

### ***The costs of the following items are eligible for the credit:***

- **Books:** books and other instructional materials used in teaching subjects legally and commonly taught in Iowa’s public elementary and secondary schools, including those needed for extracurricular activities
- **Clothing:** “non-street” costumes for a play or special clothing for a concert not suitable for everyday wear
- **Driver’s Education:** only if paid to the school
- **Dues, Fees and Admissions:** includes those paid for extracurricular activities such as activity fees; booster club dues (student only); fees for track and cross-country; student activity ticket or admission for high school athletic events; fees for a physical education event such as roller skating.
- **Materials:** includes materials for extracurricular activities, such as sports, speech activities, musical or dramatic events, awards banquets, homecoming, prom, and other school events (clothing does not qualify)
- **Music:** rental of musical instruments for school or band; music/instrument lessons at a school; sheet music used in a school; valve oil; cork grease; music books and reeds used in school bands or orchestras
- **Shop class and mechanics class:** cost of required basic materials
- **Shoes:** football, soccer and golf shoes; cleats for football shoes; track spike shoes
- **Travel:** non-travel fees for field trips (e.g. museum admission) if the trip is during school hours
- **Tuition:** the school must be accredited; amounts paid are not allowed if they relate to teaching of religious tenets or doctrines of worship. Tuition paid to religious schools may be pro-rated to cover the non-religious topics. For example, if 6 out of 7 hours of the school day involve non-religious topics, then 6/7 of the total tuition may be counted as an expense eligible for the credit.
- **Uniforms:** band, hockey and football uniforms

### ***The cost of the following items are NOT eligible for the credit:***

- **Books:** yearbooks
- **Clothing:** clothes which can be used for streetwear, such as T-shirts for extracurricular events such as track and science; clothing for a play or concert that is suitable for everyday wear; prom dress or tuxedo
- **Dues, Fees and Admissions:** sports-related socials; special education programs like career conferences; special testing like SAT, PSAT and Iowa talent search tests
- **Music:** purchase of musical instruments; cost of lessons outside of school; sheet music for private use
- **Religion:** Amounts paid are not allowed if they relate to teaching of religious tenets or doctrines of worship.
- **Shoes:** basketball shoes and other shoes suitable for everyday wear
- **Shop or mechanics class:** optional expenditures for wood or materials, *or* for repair of personal vehicles
- **Travel:** travel expenses for trips
- **Tuition:** any amount for food, lodging, clothing or transportation of a student

Add the total qualified expenses per dependent and multiply the total [not to exceed \$1,00] by 25% (.25).

Enter the total allowable credit on line 48. Retain records of your calculation, showing the name of each dependent, school(s) attended, and an itemized list of qualifying expenses.

**Example:** Students Patty and Mark have qualifying expenses of \$1,400 and \$700 respectively. Their parents can take a total credit of **\$425**.

- \$250 for Patty (25% of \$1,000 maximum)
- \$175 for Mark (25% of \$700)