

COMPARISON OF EDUCATION TAX INCENTIVE PROVISIONS

	HOPE and lifetime learning credits	Tuition deduction	529 Plan	Education savings account
IRC	§25A	§222	§529	§530
phaseout applies	yes	yes	no	yes
AGI phaseout MFJ Single or HOH	\$80,000-100,000 \$40,000-50,000	\$130,000 \$65,000	n/a	\$190,000-\$220,000 \$95,000-\$110,000
annual benefit	HOPE \$1,500 Lifetime \$1,000 credit	\$3,000 deduction	tax free income and growth	\$2,000 investment
benefit allowed on student return if dependent?	no, but see Reg 1.25A-1(g) for exception	no	yes	yes
room and board counts as qualified expense?	no	no	yes	yes
K-12 counts as qualified expense?	no	no	no	yes
HOPE and lifetime credits allowed in same year?*	n/a	no	yes	yes
benefit allowed in same year as tuition deduction?*	no	n/a	yes	yes
benefit allowed in same year as prepaid tuition plan?*	yes	yes	n/a	yes
benefit allowed in same year as education savings account?*	yes	yes	yes	n/a

*The same qualified education expense can't be used for both tax provisions.