DETERMINING 2015 TAXABLE SCHOLARSHIP

This is to provide information on the tax rules concerning scholarship payments to students who are U.S. citizens or resident aliens.

The amount of any scholarship you receive that is used to pay for tuition, books, supplies and fees required for your courses of instruction, is not taxable and is not required to be reported by you to the Internal Revenue Service. However, any scholarship amount that you use to pay for any other type of expenses, such as room, board, travel, etc., is taxable income and must be reported on your tax return.

To determine if this rule applies to you, you should log into “My Financial Aid,” available from this link http://www.princeton.edu/main/students/aid/, and review your financial aid award(s) covering the 2015 calendar year. You should compare the total amount of scholarship you received to the total amount of tuition charged. The standard Princeton tuition for calendar year 2015 was $42,635 (spring - $20,910; fall-$21,725). If your tuition charge differed from the standard (study abroad, a semester off, etc.) you would use the actual amount of your tuition.

If your scholarship is less than tuition, none of it is taxable. If your scholarship exceeds tuition, you may deduct the amounts that you personally spent in 2015 for course required books, supplies and fees (“course related expenses”) from the excess to arrive at the amount that is taxable income to you and that must be reported on your 2015 federal income tax return.

We are not able to offer tax advice and recommend that you consult with a tax advisor if you have any questions about filing a 2015 federal or state income tax return.