
THE CATHOLIC DISTANCE UNIVERSITY

News Release

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Stimulus bill changes may help CDU students

For 2009 and 2010, the Stimulus Act makes student -friendly changes to the rules for the Hope Scholarship higher education tax credit, which has been temporarily renamed the American Opportunity Credit. **This new credit may benefit CDUs BA students because the modified credit now covers the cost of tuition, fees, and course materials for the first four years of post-secondary education.** (Previously the Hope scholarship had been limited to the student's first and second undergraduate years.)

Other changes that will benefit CDU undergraduate students:

- **Increased tax credit amount:** The American Opportunity Tax Credit equals 100% of the first \$2,000 of qualified post-secondary education expenses paid during the year, plus 25% of the next \$2,000, for a possible total of \$2,500. Under the old Hope credit rules, the maximum credit for 2009 would have been only \$1,800.
- **Higher phase-out limits:** While the modified credit is still phased out above certain income levels, the phase-out ranges are considerably higher. The adjusted gross income limit to qualify for the credit is raised to \$80,000 – \$90,000 for single taxpayers and \$160,000 - \$180,000 for joint filers. (Under the old Hope credit, the phase-out ranges for 2009 would have been \$50,000 - \$60,000 for individuals and \$100,000 to \$120,000 for joint filers.)

Students must be enrolled at least half-time during one CDU trimester (enrolled in a total of four credits) per year. CDU recommends that all students consult with their tax advisors for details on how to use the American Opportunity Credit.



Lifelong Learning in the Faith through Online Education