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Education Incentives

Coverdell Education Savings Accounts (Education IRAs): Contribution limit \$2,000 per child

AGI Phaseout Range for Contributions to Coverdell Eduatio Savings Accounts:

| | |
|------------------------|-----------------------|
| Single | \$95,001 - \$109,999 |
| Married Filing Jointly | \$190,001 - \$219,999 |

Qualified Tuition Programs - Section 529 Plans

Distributions after 12/31/01 used for qualified higher education expenses are income tax free

American Opportunity Credit

American Opportunity (formerly Hope Credit) Up to \$2,500 in 2010 & 2011 per student, for first **four** years of higher education tuition paid.

| <u>AGI Phase-outs:</u> | <u>2010</u> | <u>2011</u> |
|-------------------------------|-----------------------|-----------------------|
| Married Filing Jointly | \$160,001 - \$179,999 | \$160,001 - \$179,999 |
| Others | \$80,001 - \$89,999 | \$80,001 - \$89,999 |

Lifetime Learning Credit - Up to 20% of tuition paid; \$2,000 maximum

| <u>AGI Phase-outs:</u> | <u>2010</u> | <u>2011</u> |
|-------------------------------|-----------------------|-----------------------|
| Married Filing Jointly | \$100,001 - \$119,999 | \$102,001 - \$121,999 |
| Others | \$50,001 - \$59,999 | \$51,001 - \$60,999 |

Student Loan Interest Deduction - Maximum Deduction \$2,500

| <u>AGI Phase-outs:</u> | <u>2010</u> | <u>2011</u> |
|-------------------------------|-----------------------|-----------------------|
| Married Filing Jointly | \$120,001 - \$149,999 | \$120,001 - \$149,999 |
| Single | \$60,001 - \$74,999 | \$60,001 - \$74,999 |
| Deductibility Period | no time limit | no time limit |

Exclusion of U.S. Savings Bond Income

| <u>AGI Phase-outs:</u> | <u>2010</u> | <u>2011</u> |
|-------------------------------|-----------------------|-----------------------|
| Married Filing Jointly | \$105,101 - \$135,099 | \$106,651 - \$136,649 |
| Others | \$70,101 - \$85,099 | \$71,101 - 86,099 |

Deduction for Higher Education Expenses

Maximum deduction (above the line): \$4,000 in 2010 and 2011

Maximum decudtion varies with AGE as follows:

| Married Filing Jointly | Single | Maximum Deduction |
|-------------------------------|---------------------|--------------------------|
| Over - Not over | Over - Not over | |
| \$0 - \$130,000 | \$0 - 65,000 | \$4,000 |
| \$130,000 - \$160,000 | \$65,000 - \$80,000 | \$2,000 |
| Over \$160,000 | Over \$80,000 | \$0 |