



Tax Information for Study Abroad Scholarships and Grants

The Tax Reform Act of 1986 specifies that

scholarship amounts granted ... for expenses incurred ... are taxable income, if the aggregate scholarship ... amounts ... exceed tuition and fees (not including room and board), books, supplies, and equipment required for courses of instruction at [an eligible] institution.

Any general scholarship or grant aid that is received in a calendar year may be regarded as **first applying toward excludable expenses** (i.e., tuition, required fees, and required books, supplies, and equipment) even though family resources, loans, or student employment may in fact have initially paid those expenses. You should retain records (e.g., copies of relevant bills, receipts, checks) to document your excludable expenses.

If you receive general scholarship or grant aid **in excess of the cost of tuition, fees, and books**, the excess amount is taxable. In addition, **specific scholarships or grants that are directed toward expenses other than tuition, fees, and books** are subject to taxation.

You may use the following chart to determine how much, if any, of your study abroad scholarships and grants are taxable.

SEMESTER ABROAD STUDENTS:

- A. RMU Tuition (Semester Abroad Students): _____
- B. Financial Aid applied toward RMU Tuition: _____
- C. General Study Abroad Scholarship/Grant: _____
- D. Study Abroad Scholarship/Grant Specific Toward Expense *other than Tuition, Fees, and Books* (e.g., flight or housing): _____
- E. Add Line B + Line C: _____
- F. Subtract Line E - Line A: _____

You owe taxes on anything listed on line D. If line F is negative, you do *not* owe taxes on that money. If line F is positive, you *do* owe taxes on that amount.

SUMMER ABROAD STUDENTS:

- A. Program Fee (*not* including room/board): _____
- B. General Study Abroad Scholarship/Grant: _____
- C. Study Abroad Scholarship/Grant Specific Toward Expense *other than Tuition, Fees, and Books* (e.g., flight or housing): _____
- D. Subtract Line B - Line A: _____

You owe taxes on anything listed on line C. If line D is negative, you do *not* owe taxes on that money. If line D is positive, you *do* owe taxes on that amount.