



## The Grand Traverse Band of Ottawa and Chippewa Indians

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Date: March 15, 2012  
To: Higher Education/Adult Vocational Training Students  
From: Melissa Alberts, Higher Education Specialist *MA*  
Re: Taxable/Non-Taxable Portion of Scholarship

After several inquiries regarding scholarships and taxes, the information listed below is meant to guide you to resources that will assist you with tax questions regarding the higher education scholarship. See below; however, refer to the publications for complete details.

According to the Internal Revenue Service's *Publication 970: Tax Benefits for Education* and *Service Topic 421: Scholarship and Fellowship Grants*; portion of your scholarship may be taxable or non-taxable. The IRS states the Taxable and Non-Taxable portion of scholarships for degree-seeking students are:

The **TAXABLE** portions of your scholarship include:

- Room
- Board
- Travel

Refer to IRS, *Publication 970* for information on "How to Report" the taxable portion of your scholarship on your individual income tax returns.

The **NON-TAXABLE** portions of your scholarship are:

- Tuition
- Fees
- Books
- Supplies
- Equipment

If you have further questions, please consult your tax preparer or obtain *Publication 970: Tax Benefits for Education* or *Topic 421: Scholarship and Fellowship Grants* from the Internal Revenue Service.

Thank you!