



FAQ-When is Financial Aid Considered Taxable Income?

Is the financial aid I receive for my degree program considered taxable income?

It may be; please read below for more information.

Degree-Seeking Students:

Grants, scholarships and fellowships for degree-seeking students

In general, a part of your grant, scholarship or fellowship may be taxable if it exceeds your qualified tuition and related expenses in your degree program, even if you do not receive a W-2 for it. Qualified tuition and related expenses are defined by the Internal Revenue Service (IRS) as “tuition and fees required for enrollment or attendance at the educational institution or for books, supplies and equipment required for courses of instruction at the institution and required of all students in your course of instruction.” (Note: in general, housing expenses are not considered to be “qualified tuition and related expenses.”) If the sum of your grant, scholarship or fellowship for the tax year exceeds your qualified tuition and related expenses for the tax year, part of your award may be taxable.

You should always direct questions concerning the taxability of a grant or scholarship to the IRS or to a qualified tax consultant. See the IRS [FAQ on Grants, Scholarships, Student Loans, Work Study](#) for more information.

Assistantships

If you receive a stipend for teaching or research, it may be considered taxable income. Check with the IRS or a qualified tax consultant. You may also wish to review the IRS [FAQ on Grants, Scholarships, Student Loans, Work Study](#).

Non-Degree Students:

If you are a non-degree student, the full amount of any grant, scholarship or fellowship you receive is subject to federal income tax, even if it is spent on educational expenses. If you have questions concerning the taxability of any grant or scholarship you receive as a non-degree student, please contact the IRS or to a qualified tax consultant. You may also wish to review the IRS [FAQ on Grants, Scholarships, Student Loans, Work Study](#).

All Students:

Federal Work-Study, Student Employment

Any funds you receive as a result of work (i.e., Federal Work-Study employment, student employment and some fellowships) are considered earned income and are, therefore, subject to federal, state and local tax withholding. Questions regarding employment from work should be directed to the [Office of Student Employment](#).