SUMMARY OF 2025 EDUCATION PROVISIONS

Provision	Tax Treatment	Maximum	MAGI Phaseouts	Age Restriction	Time Restriction	Other
American Opportunity Credit	Credit: 100% of first $2,000 of eligible expense and 25% of next $2,000	$2,500 per student	$160,000-$180,000 MFJ $80,000-$90,000 single, HOH and widow(er)	None	Available ONLY for the first 4 years of post-secondary school; can be taken for only 4 tax years	At least half-time for one academic period
Lifetime Learning	Credit: 20% of up to $10,000 of eligible expense	$2,000 per return	$160,000-$180,000 MFJ $80,000-$90,000 single, HOH and widow(er)	None	None	At least one class
Student loan interest	Deduction	$2,500	$170,000-$200,000 MFJ $85,000-$100,000 single, HOH and widow(er)	None	None	
U.S. savings bonds	Tax free interest if used for qualified education expenses	Tuition and Fee Expense	$149,250-$179,200 MFJ $99,500-$114,500 single, HOH, and widow(er)	Purchased when owner at least 24	None	Tuition and Fees only
Coverdell ESA	Nondeductible contributions; tax-free distributions if used for qualified expenses	$2,000 per beneficiary	$190,000-$220,000 MFJ $95,000-$110,000 single, HOH, and widow(er)	Contributions not allowed after student 18 years of age	Distributions required by age 30 unless a special-needs student	
I.R.C. 529 plans	Nondeductible contributions; tax-free distributions if used for qualified expenses	Varies by state - $5,130 for Wisconsin	No phaseout	None	None	

American Opportunity Credit can include qualified tuition, fees and course materials. Lifetime Learning Credit can include tuition, fees, and books if required to be paid to eligible educational institution. Costs associated with room and board; insurance; medical expenses (including student health fees); transportation and similar personal, living or family expenses are not qualified tuition and related expenses.

Section 529 Plan:

- Up to $10,000 per year per student ($20,000 beginning in 2026) can be used to pay elementary and high school expenses including homeschooling, tuition to private school, tutoring, standardized testing fees, and educational therapies for disabled student. **Expenses paid with Section 529 Distributions cannot be used for Wisconsin Private School Tuition credit.**
- $10,000 lifetime limit per student may be used to pay student loans. Any student loan interest paid with tax-free Section 529 plan earnings is not eligible for student loan interest deduction.
- can be rolled over to a Roth IRA. The 529 account must have been open at least 15 years and the beneficiary must have earned income equal to or greater than the amount transferred. The annual rollover amount is equal to Roth IRA's annual contribution limit with a maximum lifetime limit of $35,000.