AOTC vs. LLC: Which Education Credit Gets You the Biggest Refund?

Both credits can save you money on tuition — but the right one depends on your school year, income, and filing status.

Credit Overview

Feature	AOTC	LLC
Full Name	American Opportunity Tax Credit	Lifetime Learning Credit
Who Qualifies	Undergrads in first 4 years	Undergrad, grad, or skill courses
Max Credit	$2,500 per student	$2,000 per return
Refundable	40% refundable (Max. $1,000)	Non-refundable
Years You Can Claim	4 years only	Unlimited
Income Phaseout	$80,000-$90,000 single $160,000-$180,000 joint	$80,000-$90,000 single $160,000-$180,000 joint
Enrollment Requirement	Half-time in degree program	Any enrollment level
Qualified Expenses	Tuition, fees, books, materials	Tuition and required fees

Quick Eligibility Checklist

AOTC — You Qualify If:

- ***Enrolled at least half-time in a degree program***
- ***Haven't claimed AOTC more than 4 years***
- ***No felony drug conviction***
- ***Not claimed as a dependent by parents***

LLC — You Qualify If:

- ***Taking any postsecondary or professional course***
- ***Paying qualified tuition or fees***
- ***Income below phaseout limit***

Common Mistakes to Avoid

- 🚫 *Claiming both credits for the same student in one tax year*
- 🚫 *Using 529 plan or scholarship funds for the same expenses you claim for AOTC/LLC*
- 🚫 *Forgetting to include your Form 1098-T*
- 🚫 *Skipping refundable AOTC if you have low income*