

Subject 307

Interest Paid on Student Loans

Internal Revenue Code §221 concerning the interest deduction for student loans has been adopted. You may take a deduction for interest paid on student loans if all of the following apply for tax year 2022:

1. You paid interest during the year on a qualified student loan.
2. Your filing status is any except married filing separately on different returns (Status 5).
3. Your modified adjusted gross income is less than \$85,000 if filing status 1, 3 or 6; or \$175,000 if filing status 2 or 4.
4. You are not claimed as a dependent on someone else's tax return.

Use the **Student Loan Interest Worksheet**, available in the tax booklet, to calculate the allowed deduction for student loan interest. The maximum you can claim is \$2,500.

The deduction is taken on Form **AR1000ADJ**.