

The "Retirement plan" box in box 13 of your Form W-2 should be checked if you were covered by a plan at work even if you were not vested in the plan. You are also covered by a plan if you were self-employed and had a SEP, SIMPLE, or qualified retirement plan.

If you were covered by a retirement plan and you file Form 2555, 2555-EZ, or 8815, or you exclude employer-provided adoption benefits, see Pub. 590 to figure the amount, if any, of your IRA deduction.

Married Persons Filing Separately. If you were not covered by a retirement plan but your spouse was, you are considered covered by a plan unless you lived apart from your spouse for all of 2003.

- Your filing status is any status **except** married filing separately.

- Your modified adjusted gross income (AGI) is less than: \$65,000 if single, head of household, or qualifying widow(er); \$130,000 if married filing jointly. Use lines 2 through 4 of the worksheet below to figure your modified AGI.

- You are not claimed as a dependent on someone's (such as your parent's) 2003 tax return.

Use the worksheet below to figure your student loan interest deduction.

Exception. Use Pub. 970 instead of the worksheet below to figure your student loan interest deduction if you file Form 2555, 2555-EZ, or 4563, or you exclude income from sources within Puerto Rico.

Qualified Student Loan. This is any loan you took out to pay the qualified higher education expenses for yourself, your spouse, or anyone who was your dependent when the loan was taken out. The person for whom the expenses were paid must have been an eligible student (defined on

page 32). However, a loan is not a qualified student loan if (a) any of the proceeds were used for other purposes or (b) the loan was from either a related person or a person who borrowed the proceeds under a qualified employer plan or a contract purchased under such a plan. To find out who is a related person, see Pub. 970.

Qualified higher education expenses generally include tuition, fees, room and board, and related expenses such as books and supplies. The expenses must be for education in a degree, certificate, or similar program at an eligible educational institution. An eligible educational institution includes most colleges, universities, and certain vocational schools. You must reduce the expenses by the following benefits.

- Employer-provided educational assistance benefits that are not included in box 1 of your Form(s) W-2.
- Excludable U.S. series EE and I savings bond interest from Form 8815.
- Nontaxable qualified state tuition

Line 25


Student Loan Interest Deduction

You can take this deduction **only** if all of the following apply.

- You paid interest in 2003 on a qualified student loan (see this page).

Student Loan Interest Deduction Worksheet—Line 25

Keep for Your Records

Before you begin:		<ul style="list-style-type: none"> ✓ Complete Form 1040, lines 27 through 32a, if they apply to you. ✓ Figure any amount to be entered on the dotted line next to line 33 (see page 33). ✓ See the instructions for line 25 that begin on this page. ✓ Be sure you have read the Exception above to see if you can use this worksheet instead of Pub. 970 to figure your deduction. 	
1.	Enter the total interest you paid in 2003 on qualified student loans (defined above). Do not enter more than \$2,500	1.	<input type="text"/>
2.	Enter the amount from Form 1040, line 22	2.	<input type="text"/>
3.	Enter the total of the amounts from Form 1040, lines 23, 24, 27 through 32a, plus any amount you entered on the dotted line next to line 33	3.	<input type="text"/>
4.	Subtract line 3 from line 2	4.	<input type="text"/>
5.	Enter the amount shown below for your filing status. <ul style="list-style-type: none"> • Single, head of household, or qualifying widow(er)—\$50,000 • Married filing jointly—\$100,000 }	5.	<input type="text"/>
6.	Is the amount on line 4 more than the amount on line 5? <input type="checkbox"/> No. Skip lines 6 and 7, enter -0- on line 8, and go to line 9. <input type="checkbox"/> Yes. Subtract line 5 from line 4	6.	<input type="text"/>
7.	Divide line 6 by \$15,000 (\$30,000 if married filing jointly). Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000	7.	<input type="text"/>
8.	Multiply line 1 by line 7	8.	<input type="text"/>
9.	Student loan interest deduction. Subtract line 8 from line 1. Enter the result here and on Form 1040, line 25. Do not include this amount in figuring any other deduction on your return (such as on Schedule A, C, E, etc.)	9.	<input type="text"/>