

**MISSISSIPPI STATE UNIVERSITY - OFFICE OF THE GRADUATE SCHOOL
GRADUATE ASSISTANT - TAXIBILITY OF TUITION REMISSION**

Undergraduate and teaching and research graduate tuition remission is tax exempted by IRS Code Section 117. Non-teaching/research graduate assistantships were specifically excluded from this exclusion thereby making the tuition remission related to these assistantships taxable. However, the tuition remission for these assistantships may be tax exempted under IRS Code Section 132 and Treasury Regulation 162(a) which allows education benefits from employers to be tax exempted for certain courses of study.

The purpose of the Graduate Assistant Tuition Remission Form is to determine the type of graduate assistantship and then determine if the assistantship is taxable or exempted. If the graduate assistantship is teaching or research, it is exempted by definition under IRS Code Section 117. If the graduate assistantship is a service assistantship, then the "Assistantship Duties and Responsibilities" are designed to allow the University to determine if the assistantship is taxable or exempted under Treasury Regulation 162(a) by comparing the duties of the assistantship to the course of study.

It is important that the Tuition Remission Form be completed and signed by the graduate assistant and his/her supervisor. The supervisory signature should be from someone within the department who has supervisory responsibilities over the graduate assistant and the knowledge that the information supplied by the graduate assistant is correct.

**Don Zant
Director of Internal Audit
Mississippi State University**