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TAXES

IRS Updates FAQ on Unemployment Compensation Exclusion

The American Rescue Plan Act of 2021 provided relief to those receiving unemployment compensation in 2020.

Jason Bramwell • Dec. 02, 2022



The IRS on Friday updated frequently asked questions for the 2020 unemployment compensation exclusion in [Fact Sheet 2022-39](#).

The updates are:

- Topic D: Amended Return (Form 1040-X): Combined question 1 and 2, removed question 3 and renumbered question 4
- Topic E: Impact to Income, Credits, and Deductions: Question 2
- Topic G: Receiving a Refund, Letter, or Notice: Questions 2, 3, 5, 8 and 9
- Topic H: Finding the Unemployment Compensation Amount: Question 2

The American Rescue Plan Act of 2021, signed into law on March 11, 2021, provided relief to individuals who received unemployment compensation in 2020. It included a provision that makes the first \$10,200 of unemployment nontaxable for each taxpayer who made less than \$150,000 in 2020. In the case of married individuals filing a joint tax return, this exclusion of up to \$10,200 applies to each spouse.

More information about [reliance is available](#).

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