

## State Tax Chart Results

Tax Type: Personal Income

Legend:

N/A - Not Applicable

**Update** - See additional details within chart

### Unemployment Compensation—ARPA Updates

Generally, unemployment compensation is included in gross income for federal tax purposes. The federal American Rescue Plan Act of 2021 (ARPA, P.L. 117-2), enacted on March 11, 2021, amended IRC § 85 to allow up to \$10,200 of unemployment compensation to be excluded from federal gross income on the 2020 federal return for taxpayers with an adjusted gross income (AGI) under \$150,000. This chart shows whether each state taxes unemployment compensation that is exempt from federal income tax under the ARPA.

State		Authority	Editorial Reference
AK	N/A	N/A	N/A
AL	No.  Alabama does not tax unemployment compensation.	Form 40 Instructions, ¶ 59,503	¶56,355
AR	No.  Arkansas does not tax unemployment compensation.	Ark. Code Ann. § 26-51-404(b)(6)(B)	¶56,355
AZ	Yes.  Arizona conforms to the Internal Revenue Code as of a specified date (currently, 01/01/2020). The conformity date has not yet been updated to reflect changes made by ARPA.	Ariz. Rev. Stat. Ann. § 43-105(A); <a href="#">FAQ During Tax Season, Ariz. Dept. Of Rev., 03/01/2021</a>	¶56,355
CA	No.  California does not tax unemployment compensation.	Cal. Rev. & Tax. Cd. § 17083; Schedule CA (540) Instructions, ¶59,505	¶56,355

CO	Yes.  Taxpayer must add back the amount of unemployment compensation excluded from FTI under ARPA.	<a href="#">News Release: Colorado provides guidance on American Rescue Plan related to taxable UI benefits, Colo. Dept. Rev., 03/12/2021</a> ; <a href="#">Website Post: American Rescue Plan Act Impact on 2020 Colorado Income Tax Returns, Colo. Dept. Rev., 03/15/2021</a>	¶156,355
CT	No.  The starting point in determining an individual's Connecticut income tax liability is the individual's FAGI. There are no Connecticut statutory modifications that require this new federal exemption amount to be added back on Connecticut's return.	<a href="#">2021 CT Filing Season FAQs, 03/23/2021</a>	¶156,355
DC	No.  District generally conforms to the current Internal Revenue Code and, therefore, adopts the exclusion of \$10,200 of unemployment income under ARPA.	D.C. Code Ann. §47-1803.02(a)	¶156,355
DE	No.  Delaware allows a subtraction from federal adjusted gross income for unemployment benefits received in calendar year 2020, to the extent included in federal adjusted gross income.	Del. Code Ann. 30 §1106(b)(10)	¶156,355
FL	N/A	N/A	N/A
GA	Yes.  Georgia generally taxes unemployment compensation and its federal conformity date is	Ga. Code Ann. § 48-1-2(14)	¶156,355

	01/01/2021, so Georgia has not conformed to the ARPA provision that exempts up to \$10,200 of unemployment income.		
HI	Yes.  Hawaii generally taxes unemployment compensation and has not yet conformed to the ARPA provision that exempts up to \$10,200 of unemployment income.	Haw. Rev. Stat. § 383-163.6; <a href="#">Updates for Taxpayers - American Rescue Plan Act of 2021, 03/24/2021</a>	¶156,355
IA	No.  Iowa generally conforms to the current Internal Revenue Code and, therefore, adopts the exclusion of \$10,200 of unemployment income under ARPA.	Iowa Code § 422.3(5)(a)	¶156,355
ID	Yes.  Although Idaho generally conforms to the Internal Revenue Code, an addback of unemployment income excluded under ARPA is required.	<a href="#">Press Release: Reporting unemployment benefits, Rebound Idaho grants, Idaho State Tax Comm'n., 03/24/2021</a>	¶156,355
IL	No.  Taxpayers are not required to add back any of the nontaxed unemployment benefits in computing Illinois base income.	<a href="#">American Rescue Plan Act of 2021 - Nontaxable Unemployment Benefits, 03/22/2021</a>	¶156,355
IN	Yes.  Indiana generally taxes unemployment compensation and has not yet conformed to the ARPA provision that exempts up to \$10,200 of unemployment income.  A FAGI threshold of \$12,000 for	Ind. Code § 6-3-1-3.5; Ind. Code § 6-3-2-10; <a href="#">Indiana Information Bulletin IT60, 05/01/2012</a> ; <a href="#">American Rescue Plan Act 2021 Guidance, Ind. Dept. Rev., 03/17/2021</a>	¶156,355

	single taxpayers and \$18,000 for married taxpayers determines the taxability of unemployment compensation benefits in Indiana.		
KS	No.  Kansas generally conforms to the current Internal Revenue Code and, therefore, adopts the exclusion of \$10,200 of unemployment income under ARPA.	Kan. Stat. Ann. § 79-32,117	¶156,355
KY	Yes.  Since Kentucky conforms to the IRC in effect on 12/31/2018, the state has not adopted the ARPA exclusion.	Ky. Rev. Stat. Ann. §141.019	¶156,355
LA	No.  Louisiana generally conforms to the current Internal Revenue Code and, therefore, adopts the exclusion of \$10,200 of unemployment income under ARPA.	La. Rev. Stat. Ann. §47:293(1); <a href="#">Louisiana Revenue Information Bulletin No. 21-008, 03/26/2021</a> ; <a href="#">News Release, Louisiana Department of Revenue, 03/26/2021</a>	¶156,355
MA	Yes.  Unemployment is generally taxable income for Massachusetts purposes and its federal conformity date is 01/01/2005, so Massachusetts has not conformed to the ARPA provision that exempts up to \$10,200 of unemployment income.	<a href="#">Mass. DOR, Tax Filing Season Frequently Asked Questions, Tax Filing Season Frequently Asked Questions, updated 03/11/2021</a>	¶156,355
MD	No.  Maryland conforms to the federal treatment of unemployment compensation, including the exclusion of \$10,200 of unemployment	Md. Code Ann. Tax-Gen. §10-108; Md. Code Ann. Tax-Gen. §10-203	¶156,355

	income under ARPA.		
ME	No.  For tax years beginning in 2020, for a Maine taxpayer with a federal adjusted gross income of less than \$150,000, up to \$10,200 of unemployment compensation is subtracted from FAGI, to the extent included in FAGI.	Me. Rev. Stat. Ann. 36 §5122(2)(WW), as added by <a href="#">L. 2021, H155, Part Z</a>	¶156,355
MI	No.  Michigan generally conforms to the current Internal Revenue Code (if the taxpayer elects to adopt the IRC in effect for the tax year) and, therefore, adopts the exclusion of \$10,200 of unemployment income under ARPA.	Mich. Comp. Laws Ann. § 206.30(1); Mich. Comp. Laws Ann. § 206.51(10)(d); Mich. Comp. Laws Ann. § 206.12(3); <a href="#">News release, Mich. Dept. Treas., 03/24/2021</a>	¶156,355
MN	Yes.  Minnesota generally taxes unemployment compensation and has not conformed to the ARPA provision that exempts up to \$10,200 of unemployment income. However, nonresidents are not taxed on their unemployment compensation; it is taxed exclusively by the nonresident's home state.	Minn. Stat. § 290.92, Subd. 21; Instructions, Form M1, ¶159,515; <a href="#">Minnesota guidance on federal unemployment compensation exclusion , Minn. Dept. Rev., 03/25/2021</a> ; <a href="#">Minnesota Individual Income Tax Fact Sheet No. 12, 01/01/2021</a> ; <a href="#">Minnesota Individual Income Tax Fact Sheet No. 3, 01/01/2021</a>	¶156,355
MO	No.  The starting point in determining an individual's Missouri income tax liability is the individual's FAGI. There are no Missouri statutory modifications that require the new federal exemption amount to be added back on Missouri's return.	Mo. Rev. Stat. §143.121; Mo. Rev. Stat. §288.379; E-mail, Missouri Department of Revenue, 03/25/2021	¶156,355
MS	Yes.	Miss. Admin. Code § 35.III.2.16	¶156,355

	<p>Mississippi generally taxes unemployment compensation and conforms to the IRC as amended to the extent that it is not deemed contrary to the context and intent of Mississippi Law.</p> <p>However, Mississippi has not conformed to the ARPA provision that exempts up to \$10,200 of unemployment income.</p>		
MT	<p>No.</p> <p>Unemployment compensation is not taxable.</p>	<p>Instructions to Montana Form 2; How to Exempt Unemployment Compensation on Montana Form 2 under ARPA, Mont. Dept. Rev., 03/17/2021</p>	¶156,355
NC	<p>Yes.</p> <p>Because North Carolina does not conform to the IRC as updated by ARPA, taxpayers must add back unemployment compensation excluded from AGI when determining North Carolina taxable income.</p>	<p><a href="#">Impact of the American Rescue Plan Act of 2021 on the 2020 North Carolina Individual Income Tax Return, N.C. Dept. of Rev., 03/19/2021</a></p>	¶156,355
ND	<p>No.</p> <p>North Dakota conforms to the federal ARPA exclusion of up to \$10,200 of unemployment compensation.</p>	<p><a href="#">Tax Commissioner Provides Relief for 2021 Individual Income Tax Deadline, 03/18/2021</a></p>	¶156,355
NE	<p>No.</p> <p>Nebraska conforms to the current Internal Revenue Code and, therefore, adopts the exclusion of \$10,200 of unemployment income under ARPA.</p>	<p>Neb. Rev. Stat. §77-2714</p>	¶156,355
NH	N/A	N/A	N\A
NJ	No.	<p><a href="#">NJ-1040 Instructions, Examples of Nontaxable Income, Page 10</a></p>	¶156,355

	New Jersey does not tax unemployment benefits.		
NM	No.  New Mexico generally conforms to the current Internal Revenue Code and, therefore, adopts the exclusion of \$10,200 of unemployment income under ARPA.	NMSA 1978 §7-2-2(A)	¶156,355
NV	N/A	N/A	N/A
NY	Yes.  New York generally conforms to the federal treatment of unemployment compensation, but decoupled from any amendments made to the Internal Revenue Code after March 1, 2020.	N.Y. Tax Law § 612; Form IT-201-I	¶156,355
OH	Yes.  Ohio generally taxes unemployment compensation and its federal conformity date is 03/27/2020, so Ohio has not conformed to the ARPA provision that exempts up to \$10,200 of unemployment income.	Ohio Rev Code Ann. § 5701.11(A)(1); Ohio Rev. Code Ann. § 5701.11(B)(1); <a href="#">Ohio Conformity Updates, Ohio Dept. Of Tax'n, 02/09/2021</a>	¶156,355
OK	No.  Oklahoma conforms to the federal treatment of unemployment compensation, including the exclusion of \$10,200 of unemployment income under the ARPA.	<a href="#">Public Notice, 03/22/2021</a>	¶156,355
OR	No.  Oregon conforms to the federal treatment of unemployment compensation, including the exclusion of \$10,200 of unemployment income under the ARPA.	Or. Rev. Stat. § 316.012; Publication OR-17—Individual Income Tax Guide, ¶159,555; <a href="#">American Rescue Plan FAQ, Or. Dept. Rev., 03/01/2021</a>	¶156,355
PA	No.	Pa. Stat. Ann. 72 §7301(d) ; Pa. Code 61	¶156,355

	Pennsylvania does not tax unemployment benefits.	§101.6(c)	
RI	Yes.  Although Rhode Island generally conforms to the Internal Revenue Code, an addback of unemployment income excluded under ARPA is required.	R.I. Gen. Laws § 44-30-12(B)(6); <a href="#">Rhode Island Division of Taxation New sletter Filing Season 2021.pdf (ri.gov)</a>	¶156,355
SC	Yes.  South Carolina generally taxes unemployment compensation and has not conformed to the ARPA provision that exempts up to \$10,200 of unemployment income.	S.C. Code Ann. § 12-6-40; S.C. Code Ann. § 12-6-50	¶156,355
SD	N/A	N/A	N/A
TN	N/A	N/A	N/A
TX	N/A	N/A	N/A
UT	No.  Utah generally conforms to the current Internal Revenue Code and, therefore, adopts the exclusion of \$10,200 of unemployment income under ARPA.	Utah Code Ann. §59-10-103(2)(b)	¶156,355
VA	No.  Virginia does not tax unemployment benefits.	Va. Code Ann. 58.1-322.02(17)	¶156,355
VT	No.  Vermont conforms to the federal treatment of unemployment compensation, including the exclusion of \$10,200 of unemployment income under the ARPA.	<a href="#">COVID-19 Update: New Federal Exclusion of Unemployment Compensation, Vt. Dept. of Taxes, 03/17/2021</a>	¶156,355
WA	N/A	N/A	N/A



WI	<p>Yes.</p> <p>Because Wisconsin does not conform to the IRC as updated by ARPA, taxpayers must add back unemployment compensation excluded from AGI when determining Wisconsin taxable income. Wisconsin provides its own subtraction from income for unemployment compensation; taxpayers may determine if they are eligible for the Wisconsin subtraction by completing the worksheet in 2020 Schedule SB Instructions.</p>	<p><a href="#">Unemployment Compensation on 2020 Wisconsin Tax Returns, Wis. Dept. Rev., 03/17/2021</a></p>	<p>¶156,355</p>
WV	<p>Yes.</p> <p>West Virginia adopts the IRC as in effect before January 1, 2021. Thus, West Virginia has not conformed to the ARPA provision that exempts up to \$10,200 of unemployment income.</p>	<p>W. Va. Code §11-21-9(a)</p>	<p>¶156,355</p>
WY	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>