

State Conformity to the 2020 Federal Unemployment

The information in this article will be updated as we learn more information

State	State Issued Guidance	Notes
Alabama		
Arizona		
Arkansas	3/16/21 - Arkansas is not taxing any unemployment and the changes are already live in all products. The impact of the American Rescue Plan on Federal unemployment will not impact Arkansas returns.	
California	3/24/21 - CA FTB has not released any official statement, however, any Federal UCE will be added back on Line 8f of Schedule CA. This is to not allow a "double deduction" on the CA return given the beginning point of the CA return is the Federal AGI.	
Colorado	3/16/21 - CO is not conforming to the Federal unemployment update and will continue to fully tax all unemployment received on the Co return. **Colorado taxpayers who have already filed a state tax return for 2020, and included all of their unemployment compensation in the amount of taxable income reported, do not need to take any additional action with respect to their Colorado return. **Taxpayers who amend their federal return (or take other action to claim this benefit as directed by the IRS), must not amend their filed Colorado return to claim a reduction of income related to this retroactive change. **Colorado taxpayers who are still preparing to file their 2020 tax return will need to add back the amount of unemployment compensation excluded from their federal taxable income in accordance with the American Rescue Plan Act.	

Connecticut	<p>3/24/21 - The starting point in determining an individual's Connecticut income tax liability is the individual's federal adjusted gross income. There are no Connecticut statutory modifications that require this new federal exemption amount to be added back on Connecticut's return. Therefore, the excluded amount is not subject to Connecticut income tax. For CT filers that have previously filed, CT will require an amended CT return be submitted to claim benefit of the UCE from the Federal return</p>	
Delaware	<p>1/28/21 - DE General Assembly passed a law that will exempt unemployment benefits received in 2020 from income taxation in DE.</p>	
District of Columbia	<p>3/19/21 - As the federal AGI is the starting point for calculating District tax liability, the federal exclusion for unemployment compensation paid in 2020 provided under the American Rescue Plan Act will also be reflected on District individual tax returns. OTR will provide additional guidance in the form of an official notice on our website, otr.cfo.dc.gov, when more information is available regarding how to ensure such exclusion is reflected on your District tax returns. **Please do not file an amended District tax return to claim the unemployment compensation exclusion until additional guidance is provided.</p>	
Georgia	<p>3/24/21 - The adoption of the American Rescue Plan is a legislative decision. When GA receives guidance from the General Assembly, DA DOR will make an announcement to industry.</p>	

<p>Hawaii</p>	<p>3/19/21 - The Department of Taxation (DOTAX) does not have the administrative authority to conform Hawaii income tax law to federal income tax law, including the Consolidated Appropriations Act of 2021 (December 27, 2020) and the American Rescue Plan Act of 2021 (March 5, 2021). The only way for a federal tax provision to be adopted for Hawaii income purposes is through a legislative amendment of the Hawaii Revised Statutes. **There are several conformity bills that address these issues that are currently being considered by the Hawaii State Legislature. The current Legislative Session adjourns on April 29, 2021, thus, we will not know whether any federal provision has been adopted until after that date.</p>	
<p>Idaho</p>		
<p>Illinois</p>	<p>3/23/21 - If you have not filed – You may file your Illinois return once you have filed your federal return. Taxpayers will not be required to add back any of the nontaxed unemployment benefits in computing their Illinois base income. If you have filed – IDOR is looking at ways to systematically adjust returns that have already been filed. We will issue guidance for taxpayers and tax professionals on the process for obtaining a refund if nontaxed unemployment benefits were included on a previously filed 2020 Illinois tax return. Therefore, taxpayers who received unemployment benefits last year and have already filed their 2020 Illinois tax return should not file an amended return at this time.</p>	

Indiana	3/18/21 - Indiana has not decided one or way or another to conform to the UCE exclusion. They did note that since they have not conformed at this time, the Federal UCE exclusion does not apply to IN, therefore, the excluded Fed UCE should be added back to Indiana returns until an official decision has been made.	
Iowa		
Kansas	3/16/21 - Everything in Kansas is going to stay the way it is. Since the Kansas return starts with the FAGI the effects of the exclusion will flow through to the Kansas return. There will be no specific add back or subtraction modification for unemployment on the Kansas return. **Kansas filers who are impacted and qualify for the unemployment exclusion and have already filed their Kansas return will need to amend the federal and Kansas returns to get the exclusion. Any Kansas filers who haven't filed and qualify for the unemployment exclusion won't be impacted because they will file using the new form instructions when they file their federal return and it will just flow to the Kansas filing as normal.	
Kentucky		
Louisiana		
Maine	3/29/21 - Concerning the federal tax law changes, Maine will conform to the federal tax law changes. Currently, discussions are being held as to how this will be handled on the return. I cannot give a definite answer on what the changes will be at this time. Once a decision has been made a tax alert will be sent out. If the change will require updates to our forms, an email will be sent to vendors for guidance.	

Maryland	<p>3/16/21 - Maryland will be exempting all Unemployment Income issued by MD and reciprocal states using Form 502LU. Schema to accept this form electronically expected by 3/31/2021. MD filers that have already filed their MD will need to amend to subtract applicable Unemployment Income. MD filing and payment deadlines have been extended to July 15, 2021.</p>	<p>Maryland News Release</p>
Massachusetts	<p>3/23/21 - Expected to issue guidance soon.</p>	
Michigan	<p>3/23/21 - Michigan will be conforming to the American Rescue Plan (ARP) and the taxation of unemployment compensation. Michigan Credit Forms and Household Resources: Should include the full amount of unemployment compensation. The City of Detroit does not tax unemployment compensation. ** MI is still considering whether to automatically adjust previously filed MI-1040 returns, or to require an amended return be filed. Official notice will be sent once a determination has been made. City of Detroit taxpayers do not need to take any action as unemployment would have already been subtracted out.</p>	
Minnesota	<p>3/18/21 - Currently we are non-conformed. We updated our M1NC line 7 to add back this amount excluded from the federal. It is expected that the total amount of unemployment is present on the M1.</p>	
Mississippi		
Missouri	<p>3/18/21 - Missouri individual income tax return begins with the federal adjusted gross income on the federal return. At this time, Missouri does not have any requirement or authority for the taxpayer to add back the excluded unemployment compensation from the Federal return.</p>	
Montana	<p>3/18/21 - Montana will add back the UCE Federal exclusion on the Additions Schedule, Line 14 - Other Additions.</p>	

Nebraska	<p>3/18/21 - As a state of rolling conformity, Nebraska follows federal changes to the IRC unless the Nebraska Legislature enacts legislation indicating otherwise. The Legislature has not enacted legislation indicating nonconformity to the American Rescue Plan Act of 2021 at this time, meaning Nebraska conforms to the federal exclusion from gross income for unemployment compensation received in any taxable year beginning in 2020. For Nebraska return purposes, a Nebraska individual income tax return begins with the taxpayer's adjusted gross income reported on the federal return. When looking at federal exclusions, Nebraska taxpayers would already have taken the exclusion on their federal return as part of calculating their adjusted gross income. As a result, the exclusion would already be taken at the federal level and would be reflected in the taxpayer's federal adjusted gross income on Line 5 of the Nebraska individual income tax return. Assuming Nebraska continues to conform to this federal change and no legislation indicating otherwise is enacted, the federal exclusion for unemployment compensation received in 2020 would not require an adjustment on</p>	
New Jersey		
New Mexico	<p>3/19/21 - New Mexico follows the federal treatment of unemployment insurance benefits, including the exclusion. NM Taxpayers that have already filed their returns prior to 3/19/21 (TaxSlayer Fed UCE implementation) should file an amended NM return to claim any additional refund that may now be due. For taxpayers that have not filed their NM return (post 3/19/21), the UCE benefit will automatically flow to the NM return.</p>	

<p>New York</p>	<p>3/24/21 - New York State is currently decoupled from the federal American Rescue Plan Act of 2021. This Act excludes from federal gross income a portion of the unemployment compensation received in tax year 2020 for taxpayers with adjusted gross income (AGI) of less than \$150,000. At this time New York State remains decoupled from the unemployment compensation income exclusion and an adjustment to income for New York is required. The Unemployment Compensation Exclusion Addback should be included on Form IT-558 New York State Adjustments due to Decoupling from the IRC and has been designated as A-011.</p>	
<p>North Carolina</p>	<p>3/16/21 - **Announcement coming soon** The Department is planning to issue an important notice in the near future on the topics Unemployment Exclusion and whether North Carolina will or will not conform to the American Rescue Plan Act.</p>	
<p>North Dakota</p>	<p>3/22/21 - North Dakota law conforms with the provision in the American Rescue Plan Act where the first \$10,200 of unemployment benefits are not subject to income tax. This applies to unemployment benefits received in 2020 and for taxpayers with an adjusted gross income of less than \$150,000. If taxpayers have additional questions regarding income tax on unemployment benefits, they can contact our Individual Income section.</p>	<p>North Dakota News</p>

Ohio	<p>3/17/21 - Ohio is aware that the American Rescue Plan Act of 2021 was recently signed into law. While we anticipate the Ohio General Assembly will pass a conformity bill to adopt all changes included in H.R. 1319, as of this date that has yet to occur. Please be aware that these bills are not typically signed/passed until late March or early April. At this time, no updates are needed to how your products are currently programmed for Ohio Individual Income Tax 2020. Ohio will notify all partners when the bill is signed or if there are any changes.</p>	<p>Ohio Conformity Webpage</p>
Oklahoma		
Oregon	<p>3/17/21 - Oregon follows the federal treatment of unemployment insurance benefits, including the exclusion. Full-year residents filing Form OR-40 do not have to do anything because the exclusion flows through to their Oregon return. Part-year residents and nonresidents with UI benefits from more than one state may exclude a portion of the Oregon-source UI benefits in proportion to their total benefits.</p>	<p>Oregon Newsroom</p>
Pennsylvania		
Rhode Island		
South Carolina	<p>3/23/21 - SC has not conformed and is requiring vendors to add back the ECU on the SC-1040</p>	
Utah	<p>3/23/21 - UT does not require an add-back for UCE and taxpayers can continue to file returns at this time. UT has not determined on what to do for previously filed UT returns until the IRS issues guidance on their plans.</p>	
Vermont		

<p>Virginia</p>	<p>3/25/21 - Virginia does not yet conform to the American Rescue Plan Act because our date of conformity is December 31, 2020. For Virginia tax returns, tax preparation software should utilize the Virginia Fixed Date Conformity (FDC) addition for the amount of unemployment excluded for federal purposes and then allow taxpayers to claim the Virginia subtraction (Code 37) for the full amount of unemployment that is excluded for federal purposes (which would be equal to or greater than the amount excluded for federal purposes, depending on the amount of unemployment received by the individual).</p>	<p>Tax Bulletin 21-4</p>
<p>West Virginia</p>	<p>3/16/21 - **More to Come**West Virginia is aware of the changes regarding unemployment compensation made by the American Rescue Plan. Conformity is dependent upon Legislative approval. Pending a formal decision, if you have unemployment compensation to report, please wait to file your tax return. If you have already filed a return and reported unemployment compensation, please wait to file an amended return. We will update once a final determination is made.</p>	

Wisconsin	<p>3/18/21 - The federal American Rescue Plan Act of 2021, signed into law on March 11, 2021, allows an exclusion of up to \$10,200 of unemployment compensation (UC) on the 2020 federal income tax return. This federal law does not apply for Wisconsin tax purposes. This article will be replaced if Wisconsin law changes. **If you already filed your 2020 Wisconsin income tax return, and are amending your federal return solely to exclude UC, do NOT amend your 2020 Wisconsin return because there is no change to the amount of taxable income or tax due to Wisconsin. **If you have not filed your 2020 Wisconsin return, you must add the amount of UC excluded on your federal return.</p> <p>**Wisconsin provides a subtraction from income for UC. After including all of your UC in federal adjusted gross income on your Wisconsin return, determine if you are eligible for the Wisconsin subtraction by completing the worksheet on page 2 of the Wisconsin Schedule SB.</p>	<p>Wisconsin Information</p>
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