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**DEPARTMENT OF STATE REVENUE**  
**Information Bulletin #60**  
**Income Tax**  
**August 2009**

(Replaces Information Bulletin #60, dated September 2001)

**DISCLAIMER:** Information bulletins are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules, and court decisions. Any information that is inconsistent with the law, regulations, or court decisions is not binding on either the Department or the taxpayer. Therefore, information provided in this bulletin should serve only as a foundation for further investigation and study of the current law and procedures related to its subject matter.

**SUBJECT:** Taxation of Unemployment Compensation Benefits

**EFFECTIVE:** January 1, 2009 (RETROACTIVE)

**REFERENCE:** [IC 6-3-1-3.5](#); [IC 6-3-2-10](#)

**INTRODUCTION:**

HEA1001-2009(ss) provided an Indiana addback to federal adjusted gross income equal to the amount of unemployment compensation excluded from federal gross income. The addback does not result in any change in Indiana adjusted gross income from prior years.

**CALCULATION OF DEDUCTION FROM FEDERAL ADJUSTED GROSS INCOME**

The following worksheet should be used to calculate the Indiana deduction, if any.

1. Federal adjusted gross income. \_\_\_\_\_
2. Amount of unemployment compensation excluded from federal gross income. \_\_\_\_\_
3. Add lines 1 and 2. \_\_\_\_\_
4. Enter \$12,000 if single or \$18,000 if married filing jointly. \_\_\_\_\_
5. Subtract line 4 from line 3. If zero or less, enter zero. \_\_\_\_\_
6. Amount of unemployment compensation received. \_\_\_\_\_
7. Enter 50% of line 5. \_\_\_\_\_
8. Subtract line 7 from line 6. If zero or less, enter zero. \_\_\_\_\_

Enter the amount from line 8 on the appropriate line of Form IT-40, Form IT-40PNR, or Form IT-40EZ.

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John Eckart  
Commissioner

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