

2020 Revised* Unemployment Compensation Worksheet

Note: If you were married but filing separately, and you lived with your spouse at any time during the year, enter -0- on line 7 of the worksheet. However, if you were married but filing separately, and lived apart from your spouse the entire year, enter \$12,000 on line 7.

1.	Unemployment compensation included on Form IT-40, line 1 or on Form IT-40PNR, Schedule A, line 36B (do not include any unemployment compensation issued by the U. S. Railroad Retirement Board)	1	
2.	Unemployment compensation excluded from federal AGI (do not include any unemployment compensation issued by U. S. Railroad Retirement Board). If filing an IT-40PNR, only use the portion of unemployment compensation excluded from federal AGI earned while an Indiana resident	2	
3.	Add lines 1 and 2	3	
4.	Federal adjusted gross income from federal Form 1040/1040SR, line 11	4	
5.	Unemployment compensation excluded from federal AGI	5	
6.	Add lines 4 and 5	6	
7.	Enter \$12,000 if single, or \$18,000 if married filing a joint return	7	
8.	Subtract line 7 from line 6. If zero or less, enter -0-	8	
9.	Enter one-half of the amount on line 8 (divide line 8 by the number 2)	9	
10.	Taxable unemployment compensation for Indiana purposes: enter the amount from either line 3 or line 9, whichever is smaller	10	
11.	Subtract line 10 from line 3. Carry this amount to Schedule 2, line 10 (or Schedule C, Line 10 if filing Form IT-40PNR). If zero or less, enter -0-	11	

**Federal tax relief contained in the American Rescue Plan Act, which excludes up to \$10,200 of unemployment compensation from federal adjusted gross income, was not adopted by Indiana. As a result, Indiana taxpayers cannot use the federal unemployment compensation exclusion on their 2020 Indiana individual income tax returns and that income must be added back in. Taxpayers may still be able to deduct some portion of their unemployment income on their state tax return in accordance with Indiana's current tax laws. This worksheet replaces the "Unemployment Compensation Worksheet" printed in the 2020 IT-40 and IT-40PNR instruction booklets. For additional guidance, visit DOR's website at dor.in.gov and click on the "Learn More" button under "Unemployment Compensation and State Taxes".*