Did You Receive **Unemployment Benefits?**

Have the right tax withheld for 2020

Unemployment benefits are taxable

Unemployment benefits must be reported on your federal tax return. A record number of Americans are applying for unemployment compensation due to the COVID-19 Outbreak. If you received unemployment benefits, as well as the additional $600 per week in coronavirus relief any time during the year, your tax return may be affected.

- **Do I have to report unemployment benefits on my federal income tax return?**
  Yes, any unemployment compensation received during the year must be reported on your federal tax return.
- **How will I know how much unemployment compensation I received?**
  If you received unemployment compensation during the year, you should receive Form 1099-G from your state's unemployment office.
- **How will unemployment compensation affect my tax return?**
  If you do not have taxes withheld from your unemployment compensation, it could result in a tax liability.
- **Can I have federal income tax withheld from my unemployment compensation?**
  Yes, you can choose to have federal income tax withheld from your unemployment benefits by submitting a Form W-4V, Voluntary Withholding Request, to your state's unemployment office.
- **If I am no longer collecting unemployment benefits, how can I pay the tax due?**
  You can make estimated tax payments at **www.irs.gov/Form 1040-ES** and/or increase your withholding once you have a new job. You can check your estimated withholding using the calculator at **www.irs.gov/W4app**. See **www.irs.gov/payments** for more payment options.

According to The Bureau of Labor Statistics, over 23 million U.S. workers have filed for unemployment this year nationwide.

For the first time, some self-employed workers qualified for unemployment benefits.

For more information, contact your state's unemployment office and visit:

www.irs.gov/UC

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