

INFORMATION BULLETIN #60

INCOME TAX

AUGUST 2009

(Replaces Information Bulletin #60, dated September 2001)

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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.



John Eckart
Commissioner