

## Frequently Asked Questions

[Jump to unemployment benefits relief](#)

### **Q: What is the American Rescue Plan?**

**A:** The [American Rescue Plan](#), enacted March 11, 2021, is a \$1.9 trillion federal COVID-19 relief bill including more direct payments to taxpayers, a tax break on some 2020 unemployment benefits, an expansion of unemployment benefits, funding for state and local governments, and an expansion of vaccinations and virus-testing programs.

### **Q: How can I get information about stimulus payments?**

**A:** Taxpayers can track stimulus payments on the [IRS website](#). People who received previous stimulus payments by direct deposit into their checking accounts will receive the new payments the same way.

### **Q: Are the stimulus payments taxable income to Oregon?**

**A:** The stimulus checks are not taxed as income in Oregon. However, the payments may impact the federal tax subtraction on your Oregon income tax return. Visit the [Oregon Department of Revenue website](#) for more information.

### **Q: What is Oregon's federal tax subtraction?**

**A:** Oregon is one of six states that has a limited subtraction for federal taxes paid as part of its state income tax calculation. The maximum amount changes every year because it is indexed for inflation. For tax year 2020, Oregon income tax filers can subtract the first \$6,950 (\$3,475 for married filing separately) in federal taxes paid from the income on which they pay state income tax.

### **Q: How does the American Rescue Plan change the child tax credit?**

**A:** The Child Tax Credit is a federal credit. The IRS provides a [website with more information](#).

### **Q: How does the American Rescue Plan affect the Oregon earned income tax credit (EITC)?**

**A:** Oregon's credit is a percentage of the federal credit. Therefore, any changes made at the federal level affect the Oregon credit amount.

### **Q: What type of collections relief is related to the American Rescue Plan?**

**A:** Information is available in the garnishment section of the [Collections Relief information](#) on the Department of Revenue website.

### Unemployment Benefits Relief

**Q: What is different under the American Rescue Plan for taxing unemployment benefits?**

**A:** Unemployment benefits are generally treated as income for tax purposes. The American Rescue Plan enacted on March 11, 2021 allows a new tax break at the federal level, which Oregon follows. Individuals can exclude up to \$10,200 in unemployment benefits from their 2020 taxable income.

**Q: How do I know how much I received in unemployment benefits?**

**A:** The unemployment benefits you received should have been reported to you on Form 1099-G, Box 1, issued from the Oregon Employment Department or any other state that paid you benefits. If you withheld taxes from your unemployment benefits, Form 1099-G will also show the withholdings.

**Q: What do I do if I have questions about my unemployment benefits?**

**A:** Contact the [Oregon Employment Department](#).

**Q: What portion of unemployment benefits are nontaxable?**

**A:** If your modified adjusted gross income is less than \$150,000, the American Rescue Plan allows individuals to remove \$10,200 of unemployment benefits from their reported income. Amounts over \$10,200 for each individual are still taxable.

If you are married, each spouse receiving unemployment benefits can exclude \$10,200 of their individual share of unemployment benefits up to a combined total of \$20,400.

If your modified AGI is \$150,000 or more, you cannot exclude any unemployment benefits.

**Q: What is modified AGI?**

**A:** The IRS provides [details and a worksheet](#) for determining your modified AGI.

**Q: If I am married and only one spouse received unemployment benefits, can I exclude the entire unemployment amount from my income?**

**A:** No, each person may exclude up to \$10,200 in benefits that they were paid in 2020. If only one spouse received unemployment benefits, the maximum exclusion is \$10,200 even if you file a joint return.

**Q: Can you provide an example for those who are married and file jointly?**

**A:** A married couple had a combined income of \$100,000. That income includes \$20,000 in unemployment benefits for spouse A, and \$5,000 in unemployment benefits for spouse B. This couple can exclude \$15,200 from their income (\$10,200 for spouse A and \$5,000 for spouse B).

**Q: I qualify for this tax relief and haven't yet filed. What do I need to do to receive this relief?**

**A:** Oregon taxpayers who received unemployment in 2020 and have not yet filed their tax returns can do so now following the [instructions the IRS](#) recently provided.

**Q: I qualify for this tax relief and have already filed my 2020 return. Should I file an amended return?**

**A:** You do not need to file an amended return. The department will correct it for you, and, in most cases, you will receive a refund or have a lower tax bill.

Most e-file software providers have indicated to the Department of Revenue that they will have the necessary software updates in place beginning March 26, 2021. Taxpayers who have not yet filed should check with their tax preparer or software provider. More [information about e-filing](#) can be found on the department's website.