



# Income – Unemployment Compensation

<b>SCHEDULE 1</b> <b>(Form 1040)</b>		<b>Additional Income and Adjustments to Income</b>		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, or 1040-NR. Go to <a href="http://www.irs.gov/Form1040">www.irs.gov/Form1040</a> for instructions and the latest information.		<b>2024</b> Attachment Sequence No. <b>01</b>	
Name(s) shown on Form 1040, 1040-SR, or 1040-NR				Your social security number	
For 2024, enter the amount reported to you on Form(s) 1099-K that was included in error or for personal items sold at a loss.					
<b>Note:</b> The remaining amounts reported to you on Form(s) 1099-K should be reported elsewhere on your return depending on the nature of the transaction. See <a href="http://www.irs.gov/1099k">www.irs.gov/1099k</a> .					
<b>Part I Additional Income</b>					
<b>1</b> Taxable refunds, credits, or offsets of state and local income taxes				<b>1</b>	
<b>2a</b> Alimony received				<b>2a</b>	
<b>b</b> Date of original divorce or separation agreement (see instructions):					
<b>3</b> Business income or (loss). Attach Schedule C				<b>3</b>	
<b>4</b> Other gains or (losses). Attach Form 4797				<b>4</b>	
<b>5</b> Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E				<b>5</b>	
<b>6</b> Farm income or (loss). Attach Schedule F				<b>6</b>	
<b>7</b> Unemployment compensation				<b>7</b>	
<b>8</b> Other income:					
<b>a</b> Net operating loss				<b>8a</b>	
<b>b</b> Gambling				<b>8b</b>	



## About Income – Unemployment Compensation

- Additional resources listed in L&LT “References” tab
- Review the hint and Topic Activity in the lesson



## Objectives – Income – Unemployment Compensation

- Identify unemployment compensation income
- Determine how to report unemployment compensation on the tax return
- Time Required: 15 minutes

# Topics



- Unemployment Compensation Defined
- Reporting Unemployment Compensation



# Key Terms

Definitions are always available in the L&LT online Glossary.

- Earned Income (Tax) Credit (EIC)
- Unemployment compensation

# Unemployment Compensation Defined

- Any amount received under an unemployment compensation law of the United States or of a state in the U.S.
  - Reported on Form 1099-G
  - Taxable in most cases
  - Not considered earned income for calculating EIC

<input type="checkbox"/> CORRECTED (if checked)			
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		<b>1</b> Unemployment compensation \$	OMB No. 1545-0120  <b>Form 1099-G</b> (Rev. March 2024) For calendar year
		<b>2</b> State or local income tax refunds, credits, or offsets \$	
PAYER'S TIN	RECIPIENT'S TIN	<b>3</b> Box 2 amount is for tax year	<b>4</b> Federal income tax withheld \$
RECIPIENT'S name  Street address (including apt. no.)  City or town, state or province, country, and ZIP or foreign postal code		<b>5</b> RTAA payments \$	<b>6</b> Taxable grants \$
		<b>7</b> Agriculture payments \$	<b>8</b> If checked, box 2 is trade or business income <input type="checkbox"/>
		<b>9</b> Market gain \$	
Account number (see instructions)		<b>10a</b> State	<b>10b</b> State identification no.
			<b>11</b> State income tax withheld \$
			\$

**Certain Government Payments**

**Copy B**

**For Recipient**

This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Form **1099-G** (Rev. 3-2024)
(keep for your records)
[www.irs.gov/Form1099G](http://www.irs.gov/Form1099G)
Department of the Treasury - Internal Revenue Service



# Reporting Unemployment Compensation

- Enter the amount of unemployment received shown in box 1 or box 5 of Form 1099-G on Form 1040.
- Enter the amount of withholding from Form 1099-G box 4 on Form 1040.
- If the taxpayer has more than one Form 1099-G, enter each form in the software.

# Summary

- This lesson explained how to identify and report unemployment compensation, which is taxable and reported to the recipient on Form 1099-G.
- Check your understanding of this lesson by answering the skill check questions on the student landing page.

## skill check

Check your understanding of unemployment compensation. Indicate whether each of the statements below is true or false by clicking on the correct answer. To check your answers, click the Check My Answers button at the bottom of the page.

1. When Colten was laid off, he received state unemployment compensation totaling \$4,000 before finding a new job. He will report \$4,000 as unemployment income.