



## Illinois Department of Revenue

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### **Illinois Department of Revenue to Issue Tax Refunds for Eligible Residents Who Received Unemployment Benefits**

*Automatic refunds will be sent to eligible taxpayers who filed electronically before March 15, 2021*

**Springfield** — Governor Pritzker announced today that the Illinois Department of Revenue (IDOR) will begin issuing refunds to eligible taxpayers who filed their 2020 Illinois Individual Income Tax Return prior to a newly enacted federal unemployment tax exemption.

The American Rescue Plan Act (ARPA) of 2021 included a retroactive provision making the first \$10,200 per taxpayer (up to \$20,400 married, filing jointly) of unemployment benefits nontaxable for returns with a modified Adjusted Gross Income (AGI) of less than \$150,000. The provision was enacted after tax filing season opened on February 12, 2021. Approximately 376,000 Illinois taxpayers who filed returns electronically prior to ARPA may qualify to receive a refund.

“With the passage of the American Rescue Plan Act of 2021 and the retroactive provision dealing with unemployment compensation, Illinois taxpayers who received unemployment benefits in 2020 may be in line for an additional refund,” **said David Harris, Director of the Illinois Department of Revenue.** “For most eligible filers, no additional action is required. However, I encourage all taxpayers eligible for this tax exemption to review their return to determine if additional action is necessary to claim this valuable tax benefit.”

The Illinois Department of Revenue has begun recalculating electronically filed 2020 individual income tax returns and will notify taxpayers who filed before March 15, 2021 of the systemic adjustment of their AGI and the amount of any refund due. Eligible taxpayers can expect to receive their refund checks approximately two to three weeks after they receive a notification letter from IDOR.

IDOR will also notify an estimated 3,300 paper filers who filed prior to the implementation of the federal unemployment exclusion that they will need to file an amended return to qualify for any refund due.

For taxpayers who filed electronically on or after March 15 and included the unemployment exclusion on their federal and state individual income tax returns, no additional filing changes are required. For taxpayers who filed electronically on or after March 15 but did not include the unemployment exclusion when calculating their AGI, an amended return must be filed to adjust their AGI.

Illinois tax filers who claim the Illinois Earned Income Credit (EIC) may also be eligible for an additional refund due to the newly enacted federal unemployment compensation tax exemption. IDOR estimates any additional refunds because of an increase to EIC will be issued late in 2021 once federal Earned Income Tax Credit data is provided to the state by the Internal Revenue Service.

Additional information from the IRS may be found in their article [New Exclusion of up to \\$10,200 of Unemployment Compensation](#). For Illinois specific information on unemployment compensation, including different filing scenarios, visit IDOR's website [tax.illinois.gov](http://tax.illinois.gov).

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