

Durbin, Duckworth, Foster Introduce Legislation To Provide Tax Relief For Unemployed Americans

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WASHINGTON – Today, U.S. Senate Democratic Whip Dick Durbin (D-IL), U.S. Senator Tammy Duckworth (D-IL), and U.S. Representative Bill Foster (D-IL-11), along with U.S. Representative Cindy Axne (D-IA-03), introduced legislation to provide tax relief for Americans who lost their jobs and utilized unemployment benefits last year – allowing millions of workers to focus their benefits on covering essentials during the coronavirus (COVID-19) pandemic and recession.

The Coronavirus Unemployment Benefits Tax Relief Act would waive federal income taxes on the first \$10,200 of unemployment benefits received in 2020. The tax relief would extend to both workers who received benefits through federal unemployment programs like Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC) as well as those who received traditional benefits through their state unemployment insurance fund.

“Families across the country are struggling to keep a roof over their head, food on the table, and to pay for health care and other necessities. As we grapple with the economic pain of this pandemic, the bill I’m introducing today with Rep. Axne would provide tax relief to unemployed Americans so they can spend their benefits supporting their families and their communities,” Durbin said.

“With millions of Americans still unemployed, the last thing they need is a big tax bill,” Duckworth said. “Tax relief on emergency unemployment benefits is a common sense policy to help these hardworking families weather this storm as we work to build back an economy that works for every American.”

“We are still in the middle of a public health and economic crisis and we need to do all we can to help families who are struggling to make ends meet,” said Foster. “This

legislation would allow Americans who've lost their jobs and are relying on unemployment insurance to support their families during this crisis to spend more of their benefits on things like rent, food, and medical care. I'm proud to work with Senator Durbin and Senator Duckworth to help Illinois families.”

The CARES Act, passed by Congress in March 2020, provided an additional \$600 in unemployment benefits through the end of July. The \$10,200 of tax relief provided in this bill would cover 17 weeks of that \$600 per week benefit.

This calculation is based on similar tax relief that was provided in the 2009 American Recovery and Reinvestment Act (ARRA). ARRA included up to \$2,400 in tax relief to cover unemployment benefits that were provided during the last recession.

The U.S. Department of Labor estimates [that more than 18 million Americans](#) are still receiving some form of unemployment benefits. In May, over 25 million Americans were claiming some form of unemployment benefits.

In December, Congress passed new legislation that extended federal unemployment benefits, including an extra \$300 per week for all workers, through March 14, 2021.

In the Senate, the Coronavirus Unemployment Benefits Tax Relief Act is also cosponsored by Senators Tammy Baldwin (D-WI), Bernie Sanders (I-VT), Mazie Hirono (D-HI), Bob Menendez (D-NJ), Jack Reed (D-RI), Catherine Cortez Masto (D-NV), and Elizabeth Warren (D-MA).

The bill is cosponsored in the House by Ro Khanna (CA-17), Andy Levin (MI-9), and Scott Peters (CA-52).