

### **First \$2,400 of Unemployment Benefits are Tax Free for 2009**

Under the American Recovery and Reinvestment Act (ARRA) , enacted February 2009, every person who receives unemployment benefits during 2009 is eligible to exclude the first \$2,400 of these benefits when they file their 2009 IRS tax return. **Up to \$2,400 will be subtracted on the 2009 IRS tax return and the remainder will need to be reported as income.** Unemployment benefits received in 2008 and prior years remain fully taxable. The weekly \$25 Federal Additional Compensation (FAC) payments are taxable and will be included in the amount listed on the 1099-G form. To view the full article (IR-2009-29, March 26, 2009), please visit <http://www.irs.gov/newsroom/article/0,,id=205633,00.html>.