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## Line 4

### Other Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the Instructions for Form 4797.

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## Line 7

### Unemployment Compensation

You should receive a Form 1099-G showing in box 1 the total unemployment compensation paid to you in 2020. Report this amount on line 7.



*If the amount reported in box 1 of your Form(s) 1099-G is incorrect, report on line 7 only the actual amount of unemployment compensation paid to you in 2020.*



*When figuring any of the following deductions or exclusions, include the full amount of your unemployment benefits reported on Schedule 1, line 7 (unreduced by any exclusion amount): taxable social security benefits, IRA deduction, student loan interest deduction, nontaxable amount of Olympic or Paralympic medals and USOC prize money, the exclusion of interest from Series EE and I U.S. Savings Bonds issued after 1989, the exclusion of employer-provided adoption benefits, the tuition and fees deduction, and the deduction of up to \$25,000 for active participation in a passive rental real estate activity. See the specific form or instructions for more information. If you file Form 1040-NR, you aren't eligible for all of these deductions. See the Instructions for Form 1040-NR for details.*

**Note.** If your modified adjusted gross income (AGI) is less than \$150,000, the American Rescue Plan enacted on March 11, 2021, excludes from income up to \$10,200 of unemployment compensation paid to you in 2020. The \$150,000 threshold applies to all filing statuses even if your filing status is married filing jointly. For married taxpayers, you and your spouse can each exclude up to \$10,200 of unemployment compensation. For example, you file jointly with your spouse and your modified AGI is less than \$150,000. You were paid \$20,000 of unemployment compensation and your spouse was paid

\$5,000. Report the \$25,000 (the total amount of your unemployment compensation) on line 7 and report \$15,200 on line 8 as a negative amount (in parentheses). The \$15,200 excluded from income is all of the \$5,000 unemployment compensation paid to your spouse, plus \$10,200 of the \$20,000 paid to you. If your modified AGI is \$150,000 or more, you can't exclude any unemployment compensation. Use the Unemployment Compensation Exclusion Worksheet to figure your modified AGI and the amount to exclude. If you file Form 1040-NR, you can't exclude any unemployment compensation for your spouse.

If you made contributions to a governmental unemployment compensation program or to a governmental paid family leave program and you aren't itemizing deductions, reduce the amount you report on line 7 by those contributions. If you are itemizing deductions, see the instructions on Form 1099-G.



*Your state may issue separate Forms 1099-G for unemployment compensation received from the state and the additional \$600 a week federal unemployment compensation related to coronavirus relief. Include all unemployment compensation received on line 7.*

If you received an overpayment of unemployment compensation in 2020 and you repaid any of it in 2020, subtract the amount you repaid from the total amount you received. Enter the result on line 7. Also enter "Repaid" and the amount you repaid on the dotted line next to line 7. If, in 2020, you repaid more than \$3,000 of unemployment compensation that you included in gross income in an earlier year, see *Repayments* in Pub. 525 for details on how to report the payment.



*If you received unemployment compensation in 2020, your state may issue an electronic Form 1099-G instead of it being mailed to you. Check your state's unemployment compensation website for more information.*

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## Line 8

### Other Income

**Note.** For tax year 2020, line 8 will be used to report unemployment compensation exclusion as figured on the Unemployment Compensation Exclusion Worksheet. This provision is discussed in more detail in the *Line 7* instructions, earlier.

Complete the Unemployment Compensation Exclusion Worksheet before completing the following forms or worksheets.

- Taxable social security benefits. See the Social Security Benefits Worksheet—Lines 6a and 6b, earlier.
- IRA deduction. See the IRA Deduction Worksheet—Line 19, later.
- Student loan interest deduction. See the Student Loan Interest Deduction Worksheet—Line 20, later.
- Nontaxable amount of the value of Olympic or Paralympic medals and USOC prize money. See the instructions for Schedule 1, line 8, later.
- Exclusion of interest from Series EE and I U.S. Savings Bonds issued after 1989. See Form 8815.
- Exclusion of employer-provided adoption benefits. See Form 8939.
- Tuition and fees deduction. See Form 8917.
- Deduction of up to \$25,000 for active participation in a passive rental real estate activity. See Form 8582.



*Do not report on this line any income from self-employment or fees received as a notary public. Instead, you must use Schedule C, even if you don't have any business expenses. Also don't report on line 8 any nonemployee compensation shown on Form 1099-MISC or 1099-NEC (unless it isn't self-employment income, such as income from a hobby or a sporadic activity). Instead, see the Instructions for Recipient included on Form 1099-MISC or 1099-NEC to find out where to report that income.*

*Form 1099-K may also include non-employee compensation. Don't report it on line 8. For more information about what is being reported on Form 1099-K, see the Instructions for Payee included on that form and visit [IRS.gov/Gig](https://www.irs.gov/Gig).*

**Unemployment Compensation Exclusion Worksheet—Schedule 1, Line 8**

|     |  |     |  |
|-----|--|-----|--|
| 1.  | If you are filing Form 1040 or 1040-SR, enter the total of lines 1 through 7 of Form 1040 or 1040-SR. If you are filing Form 1040-NR, enter the total of lines 1a, 1b, and lines 2 through 7   | 1.  |  |
| 2.  | Enter the amount from Schedule 1, lines 1 through 6. Don't include any amount of unemployment compensation from Schedule 1, line 7, on this line   | 2.  |  |
| 3.  | Use the line 8 instructions to determine the amount to include on Schedule 1, line 8, and enter here. Do not reduce this amount by the amount of unemployment compensation you may be able to exclude  | 3.  |  |
| 4.  | Add lines 1, 2, and 3  | 4.  |  |
| 5.  | If you are filing Form 1040 or 1040-SR, enter the amount from line 10c. If you are filing Form 1040-NR, enter the amount from line 10d   | 5.  |  |
| 6.  | Subtract line 5 from line 4. This is your modified adjusted gross income   | 6.  |  |
| 7.  | Is the amount on line 6 \$150,000 or more? The \$150,000 threshold applies to all filing statuses even if your filing status is married filing jointly.<br><br><input type="checkbox"/> <b>Yes.</b> Stop. You can't exclude any of your unemployment compensation.<br><input type="checkbox"/> <b>No.</b> Go to line 8.  |     |  |
| 8.  | Enter the amount of unemployment compensation paid to you in 2020. Don't enter more than \$10,200  | 8.  |  |
| 9.  | If married filing jointly, enter the amount of unemployment compensation paid to your spouse in 2020. Don't enter more than \$10,200. If you are filing Form 1040-NR, enter -0-  | 9.  |  |
| 10. | Add lines 8 and 9 and enter the amount here. This is the amount of unemployment compensation excluded from your income   | 10. |  |
| 11. | Subtract line 10 from line 3 and enter the amount on Schedule 1, line 8. If the result is less than zero, enter it in parentheses. On the dotted line next to Schedule 1, line 8, enter "UCE" and show the amount of unemployment compensation exclusion in parentheses on the dotted line. Complete the rest of Schedule 1 and Form 1040, 1040-SR, or 1040-NR | 11. |  |