

FAQ: TAXES & UNEMPLOYMENT

Do I have to pay taxes on unemployment benefits?

Yes, unemployment income is taxable. This includes any additional benefits received along with unemployment, like Federal Pandemic Unemployment Compensation (\$600 per week) and Lost Wages Assistance (\$300 per week). However, Economic Impact Payments (one-time stimulus payments) are not taxable.

What if I receive an incorrect 1099-G from DETR?

You must accurately report the income you actually received on your tax return. Notify DETR of any discrepancies and request a corrected 1099-G as soon as possible. You can report an incorrect 1099-G to DETR online by visiting <https://ft.nvdetr.org/form/1099GCR>. Be sure to keep a copy of your report and all of your records for the IRS. If you don't receive a corrected 1099-G in time to file your taxes, you should contact the IRS at 1-800-829-1040 or consult a tax professional to assist you. Based on the advice from the IRS or your tax professional, you may need to submit your tax return with the correct information, so make sure you have all of the supporting documentation to provide to the IRS. Bear in mind, it may be a year before the IRS contacts you.

You can also request an extension of your deadline to file your tax return, although if you owe more money to the IRS, you still need to pay that amount by the original deadline of April 15, 2021. If you discover your tax return was incorrect after it's filed, you must file an amended return. You may incur penalties and interest if you didn't pay the correct amount to the IRS.

What if I'm a victim of unemployment fraud?

If you received a 1099 from DETR and never received unemployment benefits, follow the steps listed at https://detr.nv.gov/Page/Unemployment_Fraud. Ask DETR to rescind the 1099-G. If they can't, don't list the income on your taxes. Save all records, including your reports of fraud. It may take over a year for the IRS to contact you, and you must have proof the income is fraudulent.

What if I owe taxes and can't afford to pay the IRS?

You should always file your tax return on time, even if you can't afford to pay the IRS. You can extend your tax filing date until October 15, 2021, using Form 4868 (irs.gov/pub/irs-pdf/f4868.pdf), but you can't extend the time to pay your taxes. You'll be assessed interest (and penalties) for not paying your tax liability due by April 15, 2021. You can request a payment plan from the IRS if you can't afford to pay the entirety, but the amount payable will include interest and penalties.

How can I file my taxes for free?

Learn about free assistance available to taxpayers with a household income under \$57,000 per year via the IRS (irs.treasury.gov/freetaxprep), Nevada Free Taxes Coalition (nvfreetaxes.org), and online self-filing platforms (irs.gov/filing/free-file-do-your-federal-taxes-for-free).