

Idaho State Tax Commission

Tax Commission News Release

Idahoans receiving jobless benefits, pandemic grants or bonuses could owe tax

BOISE, IDAHO — Aug. 20, 2020 — Idahoans who received money from the state due to the COVID-19 pandemic could have an unexpected tax bill when they file their 2020 Idaho income tax return. That's because the money is subject to Idaho income tax.

Taxable income includes:

- Unemployment insurance benefits provided to people who lost their job.
- Idaho Return-to-Work bonuses awarded to certain employees who were laid off due to the pandemic and then returned to work.
- Rebound Idaho cash grants awarded to small businesses and people who are self-employed.

Recipients of the benefits, bonuses, and cash grants must report the money on their Idaho income tax return. If Idaho income tax wasn't withheld when they received the money, they may owe more tax than expected or have a smaller-than-expected refund.

Taxpayers concerned about a higher income tax bill can take one of the following steps now:

- Make estimated payments online using the Tax Commission's free [Quick Pay](#) service.
- Start setting aside money each month to help cover any extra tax they may need to pay.

"We're giving folks an early heads-up about their taxes," Tax Commission Chairman Tom Harris said. "We want them to have time to plan so they're not caught off guard when they file next year."

Idahoans who received federal economic impact funding – sometimes referred to as "stimulus" payments – don't have to worry about reporting that money as income. Those payments aren't subject to Idaho income tax.

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