

# NEWS RELEASE

South Carolina Department of Revenue

**FOR IMMEDIATE RELEASE**

May 25, 202

*SCDOR issues guidance on how to amend your tax return to exclude unemployment benefits*

On May 18, Gov. Henry McMaster signed into law a bill to allow South Carolina recipients of unemployment compensation to exclude from state taxes up to \$10,200 of benefits they received in 2020, just as Congress decided on March 11 for [federal taxpayers](#). You must have less than \$150,000 in federal adjusted gross income for 2020 to be eligible for this tax relief.

The South Carolina Department of Revenue (SCDOR) offers filing guidance for those who received unemployment benefits last year.

**If you already filed your federal and South Carolina Individual Income Tax returns, you will need to amend your South Carolina return:**

- **If you filed a federal return that included unemployment compensation**, the [IRS plans](#) to adjust your return and notify you of the corrections. If you have not received a notice from the IRS and want to go ahead and file, simply subtract the amount of your unemployment compensation, up to \$10,200, from your federal taxable income. Include this adjusted amount on your South Carolina amended return.
- **If you filed a federal return that excluded unemployment compensation and you added that amount back to your original South Carolina return**, you will need to remove any unemployment compensation, up to \$10,200, on your South Carolina amended return.
- **For faster processing, file your amended SC1040 electronically.** Check with your tax preparer or software provider to see if you can file your amended return electronically.
- **If you need to file by paper**, file a new 2020 SC1040, and check the *Amended Return* box. Complete the return as it should have been filed, including all schedules and attachments, plus an Amended Return Schedule (Sch. AMD).
- **Do not use the SC1040X** to amend the 2020 South Carolina Individual Income Tax return.
- **If your filing status is married filing jointly** and both spouses received unemployment benefits, both can exclude up to \$10,200.
- **You may need to adjust any income-based nonrefundable tax credits** you previously filed, especially the Earned Income Tax Credit, to reflect your lower income.
- **Allow a minimum of 12 weeks** for your amended South Carolina return to be processed.

**If you filed an extension and have not yet filed your federal and South Carolina Individual Income Tax returns:**

- You must file your federal tax return first, excluding up to \$10,200 of unemployment compensation. No adjustments are needed to your South Carolina Individual Income Tax return.
- File your returns, including all schedules and attachments, by the extension due date of October 15, 2021.

Remember to file online if available and choose direct deposit to receive your refund for safe, accurate, and fast processing.

Learn more about these updates for state income taxes in [Information Letter 21-14](#).

For more information about the federal tax exclusion of unemployment benefits under the American Rescue Plan, visit [IRS.gov](https://www.irs.gov).

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