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| |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | |  |  | | --- | --- | | |  | | --- | | **Recent Legislative Changes to Support Massachusetts Taxpayers** | | | | |
| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | |  |  |  |  |  | | --- | --- | --- | --- | --- | | |  |  | | --- | --- | | |  | | --- | |  | |  |  |  | | --- | --- | | |  | | --- | | Some important, recent legislative changes will have an impact on Massachusetts taxpayers. The changes affect the treatment of unemployment income and Paycheck Protection Program [PPP] loan forgiveness. Additionally, the individual income tax filing and payment deadline was recently extended.   We have updated the [FAQs](https://mass.us11.list-manage.com/track/click?u=0e9e2209abd5f7062568d9a19&id=f5829e992b&e=33650ece68) covering these changes and will continue to add to them with new information to answer taxpayer questions. A Technical Information Release with updated guidance will be issued soon.   **Unemployment Income Deduction** For tax years 2020 and 2021, taxpayers with household income under 200% of the federal poverty level may deduct up to $10,200 of unemployment income per person. Review the chart on our [FAQ page](https://mass.us11.list-manage.com/track/click?u=0e9e2209abd5f7062568d9a19&id=66d627f066&e=33650ece68) for detailed information on the deduction. Please note that the income threshold for Massachusetts taxpayers is different from the federal income threshold. Some Massachusetts taxpayers may be eligible for a deduction on their federal tax return but not on their Massachusetts tax return.   **The taxpayer does not have to do anything.**Any taxpayer who claimed unemployment income on their 2020 return will be contacted directly by DOR by mail with information. DOR will handle any calculations to determine if a refund is due to a taxpayer. If a taxpayer is entitled to a refund, a check will be mailed after satisfying liabilities. There’s no need to file an amended tax return.  If a taxpayer who received unemployment income has not yet filed a 2020 return, all unemployment income should be reported on the return [line 8a for residents or line 10a for nonresidents/part-year residents], and if eligible for a deduction, the deduction amount should be reported on line 9 of Schedule Y.  **PPP Loan Forgiveness** Recent legislation excludes forgiven PPP loan amounts from gross income for Massachusetts personal income taxpayers for 2020. Learn how income from PPP loans is treated by reviewing the [FAQs](https://mass.us11.list-manage.com/track/click?u=0e9e2209abd5f7062568d9a19&id=7bd0790ddf&e=33650ece68) on the DOR website.  **New extended deadline for individual income tax filing and payment** A reminder that the deadline for filing and paying 2020 Massachusetts individual income tax was extended from April 15 to May 17, 2021. This change is addressed in [FAQs](https://mass.us11.list-manage.com/track/click?u=0e9e2209abd5f7062568d9a19&id=0eebbb1891&e=33650ece68). | | | | |