

**Subject** Subtraction for certain unemployment compensation

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## Summary

H.F. 2730 would provide an individual income tax subtraction for unemployment compensation received pursuant to the 2021 Minnesota Court of Appeals decision in *Muse*, which held that Minnesota high school students are eligible to receive pandemic unemployment assistance (PUA) under the 2020 federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

In 2021, the legislature conformed to the retroactive federal exclusion in the American Rescue Plan Act (ARPA) for unemployment compensation paid in 2020. ARPA excluded \$10,200 of unemployment compensation for taxpayers having FAGI less than \$150,000.