



## 2019.20 Training

### ***Subject: Tax Deductions & Credits if You Lost Your Job | Talking Points***

Did you lose your job this year? Tax reform has changed the process of claiming deductions for a lost job – find out how you’ve been affected.

The Tax Cuts and Jobs Act, also known as tax reform, has suspended the deductions for job hunting and moving to be near your job.

You must still report your unemployment compensation from any state, federal, or railroad agency on your tax return. Generally, there is no income taxes withheld from your unemployment, but you can request the agency paying you to withhold taxes on your income.

**Does losing a job affect my taxes in other ways?** Losing your job often means you have a lower income during the year, which can not only lower your taxes, it may even allow you to qualify for the Earned Income Tax Credit (EITC). You can still claim the credit for child and dependent expenses (daycare) while you are looking for work, as long as you have earned income during the year.

If you decide to work for yourself, or take a gig like Lyft or Uber, you need to be prepared to make estimated tax payments through the year, or to pay taxes at the end of the year.

**Is there a tax credit or deduction for losing my job?** There is no tax credit or deduction for losing your job. Your income is generally lower, which also lowers your income tax and can allow you to keep more of your EITC and the Additional Child Tax Credit, which increases your refund.