Internal Revenue Code Section 85(c)

Unemployment compensation

(a) General rule.
In the case of an individual, gross income includes unemployment compensation.

(b) Unemployment compensation defined.
For purposes of this section, the term "unemployment compensation" means any amount received under a law of the United States or of a State which is in the nature of unemployment compensation.

(c) Special rule for 2020.
(1) In general.
In the case of any taxable year beginning in 2020, if the adjusted gross income of the taxpayer for such taxable year is less than $150,000, the gross income of such taxpayer shall not include so much of the unemployment compensation received by such taxpayer (or, in the case of a joint return, received by each spouse) as does not exceed $10,200.

(2) Application.
For purposes of paragraph (1), the adjusted gross income of the taxpayer shall be determined-
(A) after application of sections 86, 135, 137, 219, 221, 222, and 469, and

(B) without regard to this section.