

MONTEREY COUNTY



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March 8, 2021

The Honorable Alex Padilla
112 Hart Senate Office Building
Washington, DC 20510

Re: S. 175, Coronavirus Unemployment Benefits Tax Relief Act – SUPPORT

Dear Senator Padilla:

I am writing today on behalf of the Monterey County Board of Supervisors to express our support for the Coronavirus Unemployment Benefits Tax Relief Act (S. 175).

The U.S. Department of Labor estimates that more than 18 million Americans are still receiving some form of unemployment benefits. According to the most recent data from California Employment Development Department (EDD), the unemployment rate in Monterey County was 11.4 percent in December 2020, up from a revised 7.7 percent in November 2020, and above the year-ago estimate of 7.2 percent. This compares with an unadjusted unemployment rate of 8.8 percent for California and 6.5 percent for the nation during the same period. EDD data also shows that nearly 38,000 Monterey County residents received unemployment benefits in April 2020, a figure that leveled off through the end of last year yet remains painfully high today.

The Coronavirus Unemployment Benefits Tax Relief Act would waive federal income taxes on the first \$10,200 of unemployment benefits received in 2020. The tax relief would extend both to workers who received benefits through federal unemployment programs like Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation as well as those who received traditional benefits through their state unemployment insurance fund. This legislation would ensure that that Monterey County workers don't face an unexpected tax bill, which could put them into further economic peril as taxes come due this April.

We are pleased to offer our support for the Coronavirus Unemployment Benefits Tax Relief Act, and we urge you to cosponsor this important legislation to provide much needed relief to Monterey County residents.

Sincerely,

DRAFT

Wendy Root Askew
Chair, Board of Supervisors