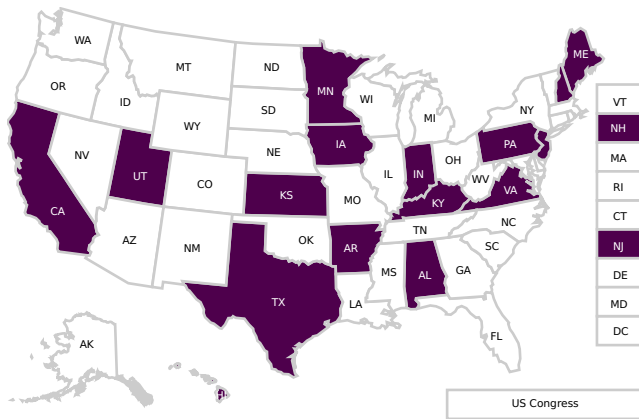


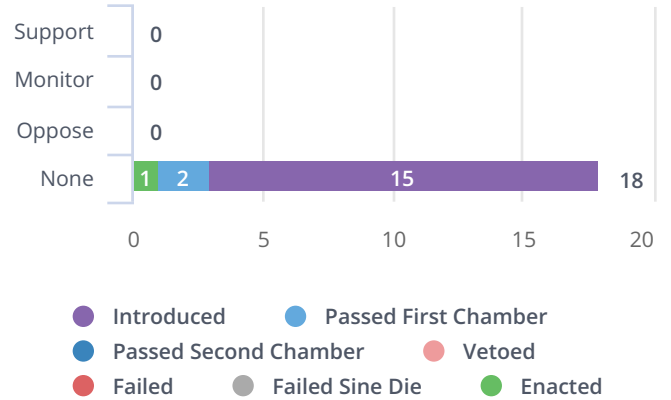
State PPP Tax Treatment

Last Updated: February 11, 2021

Bills by State



Bills by Last Status and Position



PPP Deductibility Legislation

PPP Taxability (18)

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
AL	HB 35	Read For The First Time And Referred To The House Of Representatives Committee On Ways And Means Education 2021 02 02	In House	None	None	14.0% 93.7%

Title Introduction Date: 2021-02-02
 Taxation, income taxes, federal Coronavirus Aid, Relief, and Economic Security Act, excluded from Alabama individual income taxation

Primary Sponsors
 Andy Whitt

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
AR	HB 1060	Placed On Second Reading For The Purpose Of Amendment 2021 02 01	In House	None	None	90.2% 63.4%

Title

Introduction Date: 2020-12-22

HB1060 - CONCERNING THE TAX TREATMENT OF FORGIVABLE SMALL BUSINESS LOANS AND EXPENSES RELATED TO THE CORONAVIRUS 2019 (COVID-19) CRISIS; AND TO DECLARE AN EMERGENCY.

Primary Sponsors

Julie Mayberry, Alan Clark

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
CA	AB 281	From Printer May Be Heard In Committee February 21 2021 01 22	In Assembly	None	None	8.7% 55.5%

Title

Introduction Date: 2021-01-21

Personal income taxes: corporation taxes: gross income.

Description

AB 281, as introduced, Burke. Personal income taxes: corporation taxes: gross income. The Personal Income Tax Law and the Corporation Tax Law, in conformity with federal income tax law, generally defines "gross income" as income from whatever source derived, except as specifically excluded, and provide various exclusions from gross income. Existing law, in conformity with the federal CARES Act, and its subsequent amendments in the Paycheck Protection Program and Health Care Enhancement Act and the Paycheck Protection Program Flexibility Act of 2020, among other things, excludes any amounts of covered loans forgiven under the CARES Act from gross income for purposes of the Personal Income Tax Law and the Corporation Tax Law. Existing law reduces the amount of any credit or deduction otherwise allowed under the Personal Income Tax and the Corporation Tax Law for any amount paid or incurred by the taxpayer upon which this exclusion is based by the amount of the exclusion allowed. Existing federal law, the Consolidated Appropriations Act, 2021, prohibits reductions in tax deductions, denials of basis adjustments, and reductions in tax attributes for federal income tax purposes based on the exclusion from gross income of specified loans provided in the federal CARES Act and its subsequent amendments. This bill would state the intent of the Legislature to enact legislation that would bring California's tax treatment of covered Paycheck Protection Program loans into conformity with federal tax laws.

Primary Sponsors

Autumn Burke

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
HI	HB 870	Referred To Pdp Ecd Fin Referral Sheet 2 2021 01 29	In House	None	None	32.3% 67.9%

Title Introduction Date: 2021-01-27
 Relating To Conformity With Federal Law.

Description
 Conforms state income tax law to certain provisions of federal law relating to the treatment of amounts received by eligible recipients under the federal Paycheck Protection Program.

Primary Sponsors
 Scott Saiki

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
HI	SB 1254	Referred To Wam 2021 02 01	In Senate	None	None	4.7% 73.9%

Title Introduction Date: 2021-01-27
 Relating To Conformity With Federal Law.

Description
 Conforms state income tax law to certain provisions of federal law relating to the treatment of amounts received by eligible recipients under the federal Paycheck Protection Program.

Primary Sponsors
 Gil Keith-Agaran, Kalani English, Dru Kanuha

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
IA	SF 196	Subcommittee Dawson Goodwin And Quirmbach 2021 02 08	In Senate	None	None	2.5% 77.2%

Title Introduction Date: 2021-02-01
 A bill for an act relating to state deductibility of federal paycheck protection program loan forgiveness.

Primary Sponsors
 Brad Zaun

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
IN	HB 1316	First Reading Referred To Committee On Ways And Means 2021 01 14	In House	None	None	4.3% 66.6%

Title Introduction Date: 2021-01-14
Paycheck protection program loans.

Description
Provides that, to the extent that the definition of the Internal Revenue Code (IRC) in Title 6 of the Indiana Code is not updated by amendment in the 2021 session or thereafter to conform with the CARES Act and its related amendments, a taxpayer is entitled to an exemption from state adjusted gross income equal to the amount of income associated with forgiveness of a covered loan under the Paycheck Protection Program of the CARES Act that is excluded from the taxpayer's federal gross income under Section 1106(i) of that Act, but otherwise included in the taxpayer's state adjusted gross income based on the definition of the IRC in Title 6 of the Indiana Code.

Primary Sponsors
Mike Andrade

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
KS	SB 22	Received And Introduced 2021 02 10	In House	None	None	20.2% 76.2%

Title Introduction Date: 2021-01-12
Providing income tax modifications for global intangible low-taxed income, business interest, capital contributions, FDIC premiums, business meals and payment protection program loans and expenses; expanding the expense deduction availability to income tax taxpayers and calculating the deduction amount; allowing an individual to itemize deductions in Kansas despite not itemizing on their federal return; exempting from income compensation attributable to unemployment insurance ID fraud; and increasing the net operating loss for corporations.

Primary Sponsors
Senate Committee on Assessment and Taxation

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
KY	HB 278	Posted For Passage In The Regular Orders Of The Day For Thursday February 11 2021 2021 02 10	In House	None	None	94.2% 75.5%

Title Introduction Date: 2021-01-13

AN ACT relating to the expenses paid with Paycheck Protection Program loans.

Description

Amend KRS 141.017, 141.019, and 141.039 to conform with Pub. L. No. 116-260, Sec. 276 to allow deductions paid with proceeds from a forgiven loan under the Paycheck Protection Program.

Primary Sponsors

Patrick Flannery, Kim Banta, Josh Bray, Jonathan Dixon, Myron Dossett, Ken Fleming, Mark Hart, Samara Heavrin, Adam Koenig, William Lawrence, Bobby McCool, Sal Santoro, Killian Timoney, Russell Webber

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
ME	LD 288 (SP 124)	Received By The Secretary Of The Senate On February 1 2021 And Referred To The Committee On Taxation Pursuant To Joint Rule 308 2 2021 02 01	In Senate	None	None	58.3% 0.0%

Title Introduction Date: 2021-02-01

An Act To Conform the Maine Income Tax Law with Federal Law To Exempt Paycheck Protection Program Loans from Being Considered Taxable Income

Primary Sponsors

Jim Dill

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
MN	HF 777	Introduction And First Reading Referred To Taxes 2021 02 04	In House	None	None	25.0% 0.0%

Title Introduction Date: 2021-02-04

Loans forgiven under the paycheck protection program excluded from gross income, and expense deductions allowed.

Primary Sponsors

Pat Garofalo

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
NH	SB 3	Remote Hearing 02 08 2021 09 00 Am Links To Join The Hearing Can Be Found In The Senate Calendar Sc 10 2021 02 03	In Senate	None	None	33.1% 50.6%

Title Introduction Date: 2021-02-03
clarifying the tax treatment of federal Paycheck Protection Program loans.

Primary Sponsors
Jeb Bradley

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
NJ	A 4186	Introduced Referred To Assembly Appropriations Committee 2020 06 01	In Assembly	None	None	2.2% 89.1%

Title Introduction Date: 2020-06-01
Excludes forgiven Paycheck Protection Program loans from gross income tax.

Primary Sponsors
Ron Dancer

State	Bill Number	Last Action	Status	Position	Priority
PA	SB 109	Approved By The Governor 2021 02 05	Enacted	None	None

Title Introduction Date: 2021-01-25
An Act amending the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, in emergency finance and tax provisions, further providing for declaration of policy and providing for nontaxability of certain income; in emergency COVID-19 response, establishing the Hospitality Industry Recovery Program, providing for emergency education relief to nonpublic schools and for emergency education relief to educational entities and repealing provisions relating to Pennsylvania Housing Finance Agency; establishing the Rental and Utility Assistance Grant Program; in additional special funds and restricted accounts, providing for Workers' Compensation Security Fund transfer to COVID-19 Response Restricted Account; in 2020-2021 Restrictions on Appropriations for Funds and Accounts, further providing for fund transfers; and making appropriations.

Primary Sponsors
Joe Pittman

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
TX	HB 1195	Filed 2021 01 19	In House	None	None	9.3% 58.3%

Title Introduction Date: 2021-01-19
Relating to the forgiveness of a loan made under the Paycheck Protection Program for franchise tax purposes.

Primary Sponsors
Charlie Geren, Craig Goldman

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
TX	SB 372	Received By The Secretary Of The Senate 2021 01 21	In Senate	None	None	3.4% 51.2%

Title Introduction Date: 2021-01-21

Relating to the forgiveness of a loan made under the Paycheck Protection Program for franchise tax purposes.

Primary Sponsors

Kelly Hancock

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
UT	HB 39	Senate Passed 2nd Reading 2021 02 11	In Senate	None	None	19.1% 69.5%

Title Introduction Date: 2021-01-19

Corporate Tax Unadjusted Income Amendments

Primary Sponsors

Doug Sagers, Wayne Harper

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
VA	SB 1394	Senate Incorporated By Finance And Appropriations Sb 1146 Howell 16 Y 0 N 2021 02 03	In Senate	None	None	26.8% 50.9%

Title Introduction Date: 2021-01-13

Income tax, state; an exclusion for Paycheck Protection Plan loan forgiveness.

Description

Income tax exclusion for Paycheck Protection Plan loan forgiveness; deductibility. Establishes an income tax exclusion for forgiveness of indebtedness on a loan received under the Coronavirus Aid, Relief, and Economic Security (CARES) Act through the Paycheck Protection Program. The exclusion would be available starting in taxable year 2020. No taxpayer shall be denied an otherwise allowable deduction by reason of the exclusion.

Primary Sponsors

Chap Petersen, Todd Pillion