

HOUSE BILL No. 1316

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-1-3.8; IC 6-3-2-27.

Synopsis: Paycheck protection program loans. 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.

Effective: January 1, 2020 (retroactive).

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January 14, 2021, read first time and referred to Committee on Ways and Means.



First Regular Session of the 122nd General Assembly (2021)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2020 Regular Session of the General Assembly.

HOUSE BILL No. 1316

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-1-3.8 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2020 (RETROACTIVE)]: **Sec. 3.8. The term "CARES
4 Act" means the federal Coronavirus Aid, Relief, and Economic
5 Security Act (P.L. 116-136), including any amendments to the
6 CARES Act in the Paycheck Protection Program and Health Care
7 Enhancement Act (P.L. 116-139) and the Paycheck Protection
8 Program Flexibility Act (P.L. 116-142).**

9 SECTION 2. IC 6-3-2-27 IS ADDED TO THE INDIANA CODE
10 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
11 JANUARY 1, 2020 (RETROACTIVE)]: **Sec. 27. (a) As used in this
12 section, "covered loan" has the meaning set forth in Section
13 1106(a)(1) of the CARES Act.**

14 **(b) To the extent that the definition of the Internal Revenue
15 Code in IC 6-3-1-11 is not amended in the 2021 regular session or
16 any session thereafter to conform with the provisions of the
17 CARES Act, a taxpayer is entitled to an exemption from the**



1 taxpayer's adjusted gross income in an amount equal to the
2 amount of income associated with forgiveness of a covered loan
3 that is excluded from a taxpayer's federal gross income under
4 Section 1106(i) of the CARES Act, but otherwise included in the
5 taxpayer's adjusted gross income under this article based on
6 IC 6-3-1-11.
7 SECTION 3. [EFFECTIVE JANUARY 1, 2020 (RETROACTIVE)]
8 (a) IC 6-3-1-3.8 and IC 6-3-2-27, as added by this act, apply to
9 taxable years beginning after December 31, 2019.
10 (b) This SECTION expires June 30, 2023.
11 SECTION 4. An emergency is declared for this act.

