

116TH CONGRESS
2D SESSION

H. R. 6754

To provide clarification regarding the tax treatment of expenses paid or incurred with proceeds from Paycheck Protection Program loans.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2020

Mrs. FLETCHER (for herself, Ms. CRAIG, and Mr. KIM) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide clarification regarding the tax treatment of expenses paid or incurred with proceeds from Paycheck Protection Program loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting the Pay-
5 check Protection Program Act of 2020”.

6 **SEC. 2. CLARIFICATION OF TAX TREATMENT OF EXPENSES**

7 **PAID OR INCURRED WITH PROCEEDS FROM**

8 **PAYCHECK PROTECTION PROGRAM LOANS.**

9 (a) IN GENERAL.—For purposes of the Internal Rev-
10 enue Code of 1986 and notwithstanding any other provi-

1 sion of law, any deduction and the basis of any property
2 shall be determined without regard to whether any amount
3 is excluded from gross income under section 1106(i) of
4 the CARES Act.

5 (b) CLARIFICATION OF EXCLUSION OF LOAN FOR-
6 GIVENESS.—Section 1106(i) of the CARES Act is amend-
7 ed to read as follows:

8 “(i) TAXABILITY.—For purposes of the Internal Rev-
9 enue Code of 1986, no amount shall be included in the
10 gross income of the eligible recipient by reason of forgive-
11 ness of indebtedness described in subsection (b).”.

12 (c) EFFECTIVE DATE.—Subsection (a) and the
13 amendment made by subsection (b) shall take effect as
14 if included in section 1106 of the CARES Act.

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