

By: Hancock

S.B. No. 372

AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 171.1011, Tax Code is amended by adding subsection (y) to read as follows:

(y) Total revenue does not include any amount of loan forgiven under the Paycheck Protection Program, as provided for under section 1106 of the Coronavirus Aid, Relief, and Economic Security Act, as amended by the Paycheck Protection Program Flexibility Act. Qualifying expenses paid with such loan proceeds may be included in the determination of cost of goods sold under Section 171.1012 or in the determination of compensation under Section 171.1013.

SECTION 2. This Act applies only to a report originally due on or after January 1, 2021.

SECTION 3. Except as provided in SECTION 2 of this Act, this Act takes effect September 1, 2021.