

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 838

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DATE	D-PG	OFFICIAL STATUS
02/11/2021	318	Introduction and first reading Referred to Taxes

- 1.1 A bill for an act
- 1.2 relating to taxation; income; excluding loans forgiven under the paycheck protection
- 1.3 program from gross income; allowing expense deductions.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. **EXCLUSION FROM GROSS INCOME FOR FORGIVEN PPP LOANS.**
- 1.6 Subdivision 1. **Scope.** This section applies for the purpose of calculating:
- 1.7 (1) net income, as defined in Minnesota Statutes, section 290.01, subdivision 19;
- 1.8 (2) income, as defined in Minnesota Statutes, section 290.0674, subdivision 2a;
- 1.9 (3) alternative minimum taxable income, as defined in Minnesota Statutes, section
- 1.10 290.091, subdivision 2;
- 1.11 (4) alternative minimum taxable net income, as defined in Minnesota Statutes, section
- 1.12 290.0921, subdivision 2; and
- 1.13 (5) income, as defined in Minnesota Statutes, section 290A.03, subdivision 3.
- 1.14 Subd. 2. **Adopting federal changes related to the paycheck protection**
- 1.15 **program.** "Internal Revenue Code" has the meaning given in Minnesota Statutes, section
- 1.16 290.01, subdivision 31, as amended through the date specified in that subdivision, but
- 1.17 including the following amendments:
- 1.18 (1) the exclusion from gross income under Public Law 116-136, section 1106(i); and
- 1.19 (2) section 276 of the COVID-related Tax Relief Act of 2020 in Public Law 116-260.

2.1 Subd. 3. **No denial of deduction.** Notwithstanding Minnesota Statutes, section 290.10,
2.2 the commissioner of revenue must not deny a taxpayer a deduction that is allowed under
2.3 section 276 of the COVID-related Tax Relief Act of 2020 in Public Law 116-260.

2.4 **EFFECTIVE DATE.** This section is effective retroactively at the same time the
2.5 provisions of federal law specified in subdivision 2, clauses (1) and (2), were effective for
2.6 federal purposes.