

SENATE  
STATE OF MINNESOTA  
NINETY-SECOND SESSION

S.F. No. 1778

(SENATE AUTHORS: NELSON and Coleman)			
DATE	D-PG		OFFICIAL STATUS
03/04/2021	695	Introduction and first reading	
		Referred to Taxes	
03/11/2021	846	Author added Coleman	

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) the exclusion from gross income in section 276, paragraph (b), of the COVID-related

1.20

Tax Relief Act of 2020 in Public Law 116-260.

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