

**Senate File 364 - Introduced**

SENATE FILE 364

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1175)

**A BILL FOR**

1 An Act allowing certain deductions relating to the paycheck  
2 protection program loan forgiveness, and including effective  
3 date provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. FEDERAL PAYCHECK PROTECTION PROGRAM.

2 Notwithstanding any other provision of the law to the contrary,  
3 for any tax year ending after March 27, 2020, Division N, Tit.  
4 II, subtit. B, §276 and §278(a), of the federal Consolidated  
5 Appropriations Act, 2021, Pub. L. No. 116-260, applies in  
6 computing net income for state tax purposes under section 422.7  
7 or 422.35.

8 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate  
9 importance, takes effect upon enactment.

10 EXPLANATION

11 The inclusion of this explanation does not constitute agreement with  
12 the explanation's substance by the members of the general assembly.

13 This bill allows certain deductions relating to the paycheck  
14 protection program loan forgiveness.

15 Under current law, for the tax year 2020 and later, Iowa  
16 law fully conforms with the federal treatment of forgiven  
17 paycheck protection program loans and excludes such amounts  
18 from net income and allows certain deductions for business  
19 expenses paid using those loans. For fiscal-year filers who  
20 received paycheck protection program loans during the 2019 tax  
21 year, current law excludes such amounts from net income, but  
22 does not allow certain deductions for business expenses paid  
23 using those loans. The bill fully conforms with federal law  
24 for those fiscal-year filers who previously were excluded from  
25 such conformity and allows such filers to take business expense  
26 deductions using federal paycheck protection program loan  
27 proceeds that were forgiven.

28 The bill takes effect upon enactment.