

SENATE BILL No. 138

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-1-3.8; IC 6-3-2-37.

Synopsis: Adjusted gross income tax exemption. Provides that, to the extent that the definition of the Internal Revenue Code (IRC) in Title 6 of the Indiana Code is not updated by amendment in the 2021 regular session of the general assembly or thereafter to conform with the CARES Act, a taxpayer is entitled to an exemption from state adjusted gross income equal to the amount of income associated with forgiveness of a covered loan under the Paycheck Protection Program of the CARES Act that is excluded from the taxpayer's federal gross income under Section 1106(i) of that Act, but otherwise included in the taxpayer's state adjusted gross income based on the definition of the IRC in Title 6 of the Indiana Code.

Effective: January 1, 2020 (retroactive).

Zay

January 5, 2021, read first time and referred to Committee on Tax and Fiscal Policy.



First Regular Session of the 122nd General Assembly (2021)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2020 Regular Session of the General Assembly.

SENATE BILL No. 138



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-1-3.8 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2020 (RETROACTIVE)]: **Sec. 3.8. The term "CARES
4 Act" means the federal Coronavirus Aid, Relief, and Economic
5 Security Act (P.L. 116-136).**

6 SECTION 2. IC 6-3-2-37 IS ADDED TO THE INDIANA CODE
7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
8 JANUARY 1, 2020 (RETROACTIVE)]: **Sec. 37. (a) As used in this
9 section, "covered loan" has the meaning set forth in Section
10 1106(a)(1) of the CARES Act.**

11 **(b) To the extent that the definition of the Internal Revenue
12 Code in IC 6-3-1-11 is not amended in the 2021 regular session of
13 the general assembly or any session thereafter to conform with the
14 provisions of the CARES Act, a taxpayer is entitled to an
15 exemption from the taxpayer's adjusted gross income in an amount
16 equal to the amount of income associated with forgiveness of a
17 covered loan that is excluded from a taxpayer's federal gross**



1 **income under Section 1106(i) of the CARES Act, but otherwise**
2 **included in the taxpayer's adjusted gross income under this article**
3 **based on IC 6-3-1-11.**

4 SECTION 3. [EFFECTIVE JANUARY 1, 2020 (RETROACTIVE)]

5 (a) IC 6-3-1-3.8 and IC 6-3-2-37, as added by this act, apply to
6 taxable years beginning after December 31, 2019.

7 (b) This SECTION expires June 30, 2023.

8 SECTION 4. An emergency is declared for this act.

