

JAN 27 2021

A BILL FOR AN ACT

RELATING TO CONFORMITY WITH FEDERAL LAW.

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

1 SECTION 1. The purpose of this Act is to conform Hawaii
2 income tax law to certain provisions of federal law relating to
3 treatment of amounts received by eligible recipients under the
4 Paycheck Protection Program authorized under section 7(a)(36) of
5 the Small Business Act, 15 United States Code 636, if the
6 indebtedness initially incurred has been forgiven.

7 SECTION 2. In accordance with Revenue Ruling 2021-2 and
8 section 7A(i) of the Small Business Act, enumerated in 15 United
9 States Code 14A, as transferred by section 304 of the Economic
10 Aid to Hard-Hit Small Business, Nonprofits, and Venues Act,
11 enacted as title III of division N of the Consolidated
12 Appropriations Act, 2021, Public Law 116-260, 134 Stat. 1182
13 (December 27, 2020), and amended by section 276(a) of the COVID-
14 related Tax Relief Act of 2020, enacted as subtitle B of title
15 II of division N of the Consolidated Appropriations Act, 2021,
16 certain provisions apply to amounts received by eligible
17 recipients of loans by reason of forgiveness of indebtedness,



1 and those provisions shall be operative for the purposes of
2 chapter 235, Hawaii Revised Statutes, as follows:

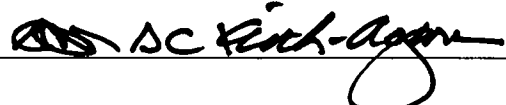
3 (1) Pursuant to section 7A(i)(1) of the Small Business
4 Act, as amended, no amount shall be included in the
5 gross income of a person by reason of forgiveness of
6 indebtedness described in section 7A(b); and

7 (2) No deduction shall be denied, no tax attribute shall
8 be reduced, and no basis increase shall be denied by
9 reason of the exclusion from gross income provided by
10 section 7A(i)(1) of the Small Business Act, as
11 amended.

12 SECTION 3. The operative provisions for purposes of
13 chapter 235, Hawaii Revised Statutes, specified in this Act
14 shall apply to taxable years ending after March 27, 2020.

15 SECTION 4. This Act shall take effect upon its approval.

16

INTRODUCED BY: 



S.B. NO. 1254

Report Title:

Income Tax Law; Paycheck Protection Program; Conformity

Description:

Conforms state income tax law to certain provisions of federal law relating to the treatment of amounts received by eligible recipients under the federal Paycheck Protection Program.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

