130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document No. 288

S.P. 124

In Senate, February 3, 2021

An Act To Conform the Maine Income Tax Law with Federal Law
To Exempt Paycheck Protection Program Loans from Being
Considered Taxable Income

Received by the Secretary of the Senate on February 1, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator DILL of Penobscot.
Cosponsored by Representative PLUECKER of Warren and
Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §5122, sub-§2, ¶UU is enacted to read:

UU. For tax years beginning on or after January 1, 2020, an amount equal to the amount of income attributable to paycheck protection program loan forgiveness excluded from federal gross income under Section 1106(i) of the federal Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136.

Sec. 2. 36 MRSA §5200-A, sub-§2, ¶HH is enacted to read:

HH. For tax years beginning on or after January 1, 2020, an amount equal to the amount of income attributable to paycheck protection program loan forgiveness excluded from federal gross income under Section 1106(i) of the federal Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136.

SUMMARY

This bill conforms Maine tax law to federal income tax treatment of loan forgiveness under Section 1106(i) of the federal Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, by providing an income tax exclusion for income attributable to paycheck protection program loan forgiveness that is excluded from federal gross income.