

By: Geren

H.B. No. 1195

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the forgiveness of a loan made under the Paycheck
3 Protection Program for franchise tax purposes.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section [171.1011](#), Tax Code is amended by adding
6 subsection (y) to read as follows:

7 (y) Total revenue does not include any amount of loan
8 forgiven under the Paycheck Protection Program, as provided for
9 under section 1106 of the Coronavirus Aid, Relief, and Economic
10 Security Act, as amended by the Paycheck Protection Program
11 Flexibility Act. Qualifying expenses paid with such loan proceeds
12 may be included in the determination of cost of goods sold under
13 Section [171.1012](#) or in the determination of compensation under
14 Section [171.1013](#).

15 SECTION 2. This Act applies only to a report originally due
16 on or after January 1, 2021.

17 SECTION 3. Except as provided in SECTION 2 of this Act, this
18 Act takes effect September 1, 2021.