

House Bill 1195
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Subchapter C, Chapter 171, Tax Code, is amended by adding Section 171.10131 to read as follows:

Sec. 171.10131. PROVISIONS RELATED TO CERTAIN MONEY RECEIVED FOR COVID-19 RELIEF. (a) In this section, "qualifying loan or grant proceeds" means the amount of money that:

(1) is received by a taxable entity

in loans or grants:

(A) under the Coronavirus Aid, Relief, and Economic Security Act (15 U.S.C. Section 9001 et seq.), as amended by the Paycheck Protection Program Flexibility Act of 2020 (Pub. L. No. 116-142) and the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260); or

(B) from the restaurant revitalization fund established under Section 5003 of the American Rescue Plan Act of 2021 (Pub. L. No. 117-2); and

(2) is not included in the taxable entity's gross income for purposes of federal income taxation under:

(A) Sections 276 and 278 of the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260); or

(B) Section 9673 of the American Rescue Plan Act of 2021 (Pub. L. No. 117-2).

SENATE VERSION (IE)

SECTION 1. Subchapter C, Chapter 171, Tax Code, is amended by adding Section 171.10131 to read as follows:

Sec. 171.10131. PROVISIONS RELATED TO CERTAIN MONEY RECEIVED FOR COVID-19 RELIEF. (a) In this section, "qualifying loan or grant proceeds" means the amount of money

received by a taxable entity that:

(1) is:

(A) a loan or grant

under the Coronavirus Aid, Relief, and Economic Security Act (15 U.S.C. Section 9001 et seq.), as amended by the Paycheck Protection Program Flexibility Act of 2020 (Pub. L. No. 116-142), the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260), the American Rescue Plan Act of 2021 (Pub. L. No. 117-2), and the PPP Extension Act of 2021 (Pub. L. No. 117-6);

(B) a shuttered venue operator grant under Section 324 of the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260), as amended by Section 5005 of the American Rescue Plan Act of 2021 (Pub. L. No. 117-2);

(C) microloan program recovery assistance under Section 329 of the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260); or

(D) a grant from the restaurant revitalization fund established under Section 5003 of the American Rescue Plan Act of 2021 (Pub. L. No. 117-2); and

(2) is not included in the taxable entity's gross income for purposes of federal income taxation under:

(A) Section 276 or 278 of the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260); or

(B) Section 9672 or 9673 of the American Rescue Plan Act of 2021 (Pub. L. No. 117-2). [FA1]

CONFERENCE

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(b) Notwithstanding any other law, a taxable entity:
(1) shall exclude from its total revenue, to the extent included under Section 171.1011(c)(1)(A), (c)(2)(A), or (c)(3), qualifying loan or grant proceeds;
(2) may include as a cost of goods sold under Section 171.1012 any expense paid using qualifying loan or grant proceeds to the extent the expense is otherwise includable as a cost of goods sold under that section; and
(3) may include as compensation under Section 171.1013 any expense paid using qualifying loan or grant proceeds to the extent the expense is otherwise includable as compensation under that section.

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

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.

SENATE VERSION (IE)

(b) Notwithstanding any other law, a taxable entity:
(1) shall exclude from its total revenue, to the extent included under Section 171.1011(c)(1)(A), (c)(2)(A), or (c)(3), qualifying loan or grant proceeds;
(2) may include as a cost of goods sold under Section 171.1012 any expense paid using qualifying loan or grant proceeds to the extent the expense is otherwise includable as a cost of goods sold under that section; and
(3) may include as compensation under Section 171.1013 any expense paid using qualifying loan or grant proceeds to the extent the expense is otherwise includable as compensation under that section.

SECTION 2. Same as House version.

SECTION 3. Same as House version.

CONFERENCE