



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2497

PRINTERS NO. 3795

PRIME SPONSOR: Dunbar

COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	\$0	\$0

SUMMARY: House Bill 2497, Printer's Number 3795, amends the Tax Reform Code further providing for classes of income in personal income tax.

ANALYSIS: This legislation provides that a forgiveness of indebtedness granted under Section 1106(b) of the Federal Coronavirus Aid, Relief, and Economic Security Act (Cares Act) shall not be subject to tax for purposes of personal income.

The act shall take effect immediately.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds.

Pennsylvania personal income tax does not conform to the Federal individual income tax base and as a result, there is uncertainty as to whether such forgiveness for Paycheck Protection Program (PPP) loans would be considered taxable income for Pennsylvania personal income tax purposes. This legislation clarifies the treatment of PPP loan forgiveness under the Pennsylvania personal income tax.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: June 8, 2020

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.