

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021**

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**HOUSE BILL 334  
PROPOSED COMMITTEE SUBSTITUTE H334-PCS30223-TMxfr-8**

Short Title: Temp Align PPP Treatment to Federal Treatment.

(Public)

Sponsors:

Referred to:

March 22, 2021

1 A BILL TO BE ENTITLED  
2 AN ACT TO ELIMINATE THE ADDBACK FOR BUSINESS EXPENSES DEDUCTED TO  
3 THE EXTENT THE PAYMENT RESULTS IN FORGIVENESS OF A COVERED LOAN  
4 UNDER THE FEDERAL CARES ACT FOR THE 2020 TAXABLE YEAR ONLY.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.(a)** G.S. 105-228.90(b)(7) reads as rewritten:

7 "(7) Code. – The Internal Revenue Code as enacted as of May 1, 2020, including  
8 any provisions enacted as of that date that become effective either before or  
9 after that ~~date~~date; however, for the purpose of the amount of any expense  
10 deducted under the Code to the extent that payment of the expense results in  
11 forgiveness of a covered loan pursuant to section 1106(b) of the CARES Act,  
12 the term "Code" means the Internal Revenue Code as enacted as of January 1,  
13 2021, including any provisions enacted as of that date that become effective  
14 either before or after that date. The term "covered loan" has the same meaning  
15 as defined in section 1106 of the CARES Act."

16 **SECTION 1.(b)** This section is effective for taxable years beginning on or after  
17 January 1, 2020, and expires for taxable years beginning on or after January 1, 2021.

18 **SECTION 2.(a)** G.S. 105-130.5(a)(32) is repealed.

19 **SECTION 2.(b)** Effective for taxable years beginning on or after January 1, 2021,  
20 G.S. 105-130.5(a)(32) is reenacted as it existed immediately before its repeal.

21 **SECTION 3.(a)** G.S. 105-153.5(c2)(20) is repealed.

22 **SECTION 3.(b)** Effective for taxable years beginning on or after January 1, 2021,  
23 G.S. 105-153.5(c2)(20) is reenacted as it existed immediately before its repeal.

24 **SECTION 4.** Except as otherwise provided, this act is effective for taxable years  
25 beginning on or after January 1, 2020.



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