

1 **PAYCHECK PROTECTION PROGRAM RECIPIENT RELIEF**
2 **GRANT PROGRAM**

3 2021 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Suzanne Harrison**

6 Senate Sponsor: _____

8 **LONG TITLE**

9 **General Description:**

10 This bill creates the Small Business Paycheck Protection Program Recipient Relief
11 Grant Program.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ creates a grant program for certain small businesses that received forgiven loans
- 15 from a paycheck protection program;
- 16 ▶ grants rulemaking authority to the Governor's Office of Economic Development to
- 17 administer the grant program;
- 18 ▶ requires the Governor's Office of Economic Development and the Division of
- 19 Finance to report information about the grant program to the Legislature;
- 20 ▶ provides for funding reallocation if necessary;
- 21 ▶ creates a subtraction from state income for funds received from the grant program;
- 22 and
- 23 ▶ schedules the repeal of the grant program.

24 **Money Appropriated in this Bill:**

25 None

26 **Other Special Clauses:**

27 None



28 **Utah Code Sections Affected:**

29 AMENDS:

30 **59-7-106**, as last amended by Laws of Utah 2020, Sixth Special Session, Chapter 15

31 **59-10-114**, as last amended by Laws of Utah 2020, Sixth Special Session, Chapter 15

32 **63A-3-111**, as enacted by Laws of Utah 2020, Fifth Special Session, Chapter 12

33 **63I-2-263**, as last amended by Laws of Utah 2020, Fifth Special Session, Chapter 12

34 **63N-15-103**, as last amended by Laws of Utah 2020, Sixth Special Session, Chapter 19

35 ENACTS:

36 **63N-15-601**, Utah Code Annotated 1953

37 **63N-15-602**, Utah Code Annotated 1953

38 **63N-15-603**, Utah Code Annotated 1953



40 *Be it enacted by the Legislature of the state of Utah:*

41 Section 1. Section **59-7-106** is amended to read:

42 **59-7-106. Subtractions from unadjusted income.**

43 (1) In computing adjusted income, the following amounts shall be subtracted from
44 unadjusted income:

45 (a) the foreign dividend gross-up included in gross income for federal income tax
46 purposes under Section 78, Internal Revenue Code;

47 (b) subject to Subsection (2), the net capital loss, as defined for federal purposes, if the
48 taxpayer elects to deduct the net capital loss on the return filed under this chapter for the
49 taxable year for which the net capital loss is incurred;

50 (c) the decrease in salary expense deduction for federal income tax purposes due to
51 claiming the federal work opportunity credit under Section 51, Internal Revenue Code;

52 (d) the decrease in qualified research and basic research expense deduction for federal
53 income tax purposes due to claiming the federal credit for increasing research activities under
54 Section 41, Internal Revenue Code;

55 (e) the decrease in qualified clinical testing expense deduction for federal income tax
56 purposes due to claiming the federal credit for clinical testing expenses for certain drugs for
57 rare diseases or conditions under Section 45C, Internal Revenue Code;

58 (f) any decrease in any expense deduction for federal income tax purposes due to

59 claiming any other federal credit;

60 (g) the safe harbor lease adjustment required under Subsections 59-7-111(1)(b) and
61 (2)(b);

62 (h) any income on the federal corporation income tax return that has been previously
63 taxed by Utah;

64 (i) an amount included in federal taxable income that is due to a refund of a tax,
65 including a franchise tax, an income tax, a corporate stock and business tax, or an occupation
66 tax:

67 (i) if that tax is imposed for the privilege of:

68 (A) doing business; or

69 (B) exercising a corporate franchise;

70 (ii) if that tax is paid by the corporation to:

71 (A) Utah;

72 (B) another state of the United States;

73 (C) a foreign country;

74 (D) a United States possession; or

75 (E) the Commonwealth of Puerto Rico; and

76 (iii) to the extent that tax was added to unadjusted income under Section 59-7-105;

77 (j) a charitable contribution, to the extent the charitable contribution is allowed as a
78 subtraction under Section 59-7-109;

79 (k) subject to Subsection (3), 50% of a dividend considered to be received or received
80 from a subsidiary that:

81 (i) is a member of the unitary group;

82 (ii) is organized or incorporated outside of the United States; and

83 (iii) is not included in a combined report under Section 59-7-402 or 59-7-403;

84 (l) subject to Subsection (4) and Section 59-7-401, 50% of the adjusted income of a
85 foreign operating company;

86 (m) the amount of gain or loss that is included in unadjusted income but not recognized
87 for federal purposes on stock sold or exchanged by a member of a selling consolidated group as
88 defined in Section 338, Internal Revenue Code, if an election has been made in accordance
89 with Section 338(h)(10), Internal Revenue Code;

90 (n) the amount of gain or loss that is included in unadjusted income but not recognized
91 for federal purposes on stock sold, exchanged, or distributed by a corporation in accordance
92 with Section 336(e), Internal Revenue Code, if an election under Section 336(e), Internal
93 Revenue Code, has been made for federal purposes;

94 (o) subject to Subsection (5), an adjustment to the following due to a difference
95 between basis for federal purposes and basis as computed under Section 59-7-107:

96 (i) an amortization expense;

97 (ii) a depreciation expense;

98 (iii) a gain;

99 (iv) a loss; or

100 (v) an item similar to Subsections (1)(o)(i) through (iv);

101 (p) an interest expense that is not deducted on a federal corporation income tax return
102 under Section 265(b) or 291(e), Internal Revenue Code;

103 (q) 100% of dividends received from a subsidiary that is an insurance company if that
104 subsidiary that is an insurance company is:

105 (i) exempt from this chapter under Subsection 59-7-102(1)(c); and

106 (ii) under common ownership;

107 (r) subject to Subsection 59-7-105(10), for a corporation that is an account owner as
108 defined in Section 53B-8a-102, the amount of a qualified investment as defined in Section
109 53B-8a-102.5:

110 (i) that the corporation or a person other than the corporation makes into an account
111 owned by the corporation during the taxable year;

112 (ii) to the extent that neither the corporation nor the person other than the corporation
113 described in Subsection (1)(r)(i) deducts the qualified investment on a federal income tax
114 return; and

115 (iii) to the extent the qualified investment does not exceed the maximum amount of the
116 qualified investment that may be subtracted from unadjusted income for a taxable year in
117 accordance with Subsection 53B-8a-106(1);

118 (s) for a corporation that makes a donation, as that term is defined in Section
119 53B-8a-201, to the Student Prosperity Savings Program created in Section 53B-8a-202, the
120 amount of the donation to the extent that the corporation did not deduct the donation on a

121 federal income tax return;

122 (t) for purposes of income included in a combined report under Part 4, Combined
123 Reporting, the entire amount of the dividends a member of a unitary group receives or is
124 considered to receive from a captive real estate investment trust;

125 (u) the increase in income for federal income tax purposes due to claiming a:

126 (i) qualified tax credit bond credit under Section 54A, Internal Revenue Code; or

127 (ii) qualified zone academy bond under Section 1397E, Internal Revenue Code;

128 (v) for a taxable year beginning on or after January 1, 2019, but beginning on or before
129 December 31, 2019, only:

130 (i) the amount of any FDIC premium paid or incurred by the taxpayer that is
131 disallowed as a deduction for federal income tax purposes under Section 162(r), Internal
132 Revenue Code, on the taxpayer's 2018 federal income tax return; plus

133 (ii) the amount of any FDIC premium paid or incurred by the taxpayer that is
134 disallowed as a deduction for federal income tax purposes under Section 162(r), Internal
135 Revenue Code, for the taxable year;

136 (w) for a taxable year beginning on or after January 1, 2020, the amount of any FDIC
137 premium paid or incurred by the taxpayer that is disallowed as a deduction for federal income
138 tax purposes under Section 162(r), Internal Revenue Code, for the taxable year; ~~and~~

139 (x) for a taxable year beginning on or after January 1, 2020, but beginning on or before
140 December 31, 2020, the amount of:

141 (i) a paycheck protection loan similar to a loan forgiven in accordance with 15 U.S.C.
142 Sec. 636(a)(36) that is:

143 (A) authorized by the federal government;

144 (B) provided in response to COVID-19;

145 (C) forgiven if the borrower meets the expenditure requirements; and

146 (D) subject to federal income tax, to the extent that a deduction for the expenditures
147 paid with the loan is disallowed; and

148 (ii) any grant funds or forgiven loans that:

149 (A) the taxpayer receives from the state, a county within the state, or a municipality
150 within the state in response to COVID-19;

151 (B) are funded using federal revenue received by the state, the county, or the

152 municipality to respond to COVID-19; and

153 (C) are included in unadjusted income[-]; and

154 (y) for a taxable year beginning on or after January 1, 2021, but beginning on or before
155 December 31, 2021, the amount of any grant funds the taxpayer receives under Title 63N,
156 Chapter 15, Part 6, Small Businesses Paycheck Protection Program Recipient Relief Grant
157 Program, to the extent that the grant funds are included in unadjusted income.

158 (2) For purposes of Subsection (1)(b):

159 (a) the subtraction shall be made by claiming the subtraction on a return filed:

160 (i) under this chapter for the taxable year for which the net capital loss is incurred; and

161 (ii) by the due date of the return, including extensions; and

162 (b) a net capital loss for a taxable year shall be:

163 (i) subtracted for the taxable year for which the net capital loss is incurred; or

164 (ii) carried forward as provided in Sections 1212(a)(1)(B) and (C), Internal Revenue
165 Code.

166 (3) (a) For purposes of calculating the subtraction provided for in Subsection (1)(k), a
167 taxpayer shall first subtract from a dividend considered to be received or received an expense
168 directly attributable to that dividend.

169 (b) For purposes of Subsection (3)(a), the amount of an interest expense that is
170 considered to be directly attributable to a dividend is calculated by multiplying the interest
171 expense by a fraction:

172 (i) the numerator of which is the taxpayer's average investment in the dividend paying
173 subsidiaries; and

174 (ii) the denominator of which is the taxpayer's average total investment in assets.

175 (c) (i) For purposes of calculating the subtraction allowed by Subsection (1)(k), in
176 determining income apportionable to this state, a portion of the factors of a foreign subsidiary
177 that has dividends that are partially subtracted under Subsection (1)(k) shall be included in the
178 combined report factors as provided in this Subsection (3)(c).

179 (ii) For purposes of Subsection (3)(c)(i), the portion of the factors of a foreign
180 subsidiary that has dividends that are partially subtracted under Subsection (1)(k) that shall be
181 included in the combined report factors is calculated by multiplying each factor of the foreign
182 subsidiary by a fraction:

- 183 (A) not to exceed 100%; and
- 184 (B) (I) the numerator of which is the amount of the dividend paid by the foreign
185 subsidiary that is included in adjusted income; and
- 186 (II) the denominator of which is the current year earnings and profits of the foreign
187 subsidiary as determined under the Internal Revenue Code.
- 188 (4) (a) For purposes of Subsection (1)(l), a taxpayer may not make a subtraction under
189 Subsection (1)(l):
- 190 (i) if the taxpayer elects to file a worldwide combined report as provided in Section
191 59-7-403; or
- 192 (ii) for the following:
- 193 (A) income generated from intangible property; or
- 194 (B) a capital gain, dividend, interest, rent, royalty, or other similar item that is
195 generated from an asset held for investment and not from a regular business trading activity.
- 196 (b) In calculating the subtraction provided for in Subsection (1)(l), a foreign operating
197 company:
- 198 (i) may not subtract an amount provided for in Subsection (1)(k) or (l); and
- 199 (ii) prior to determining the subtraction under Subsection (1)(l), shall eliminate a
200 transaction that occurs between members of a unitary group.
- 201 (c) For purposes of the subtraction provided for in Subsection (1)(l), in determining
202 income apportionable to this state, the factors for a foreign operating company shall be
203 included in the combined report factors in the same percentages as the foreign operating
204 company's adjusted income is included in the combined adjusted income.
- 205 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
206 commission may by rule define what constitutes:
- 207 (i) income generated from intangible property; or
- 208 (ii) a capital gain, dividend, interest, rent, royalty, or other similar item that is
209 generated from an asset held for investment and not from a regular business trading activity.
- 210 (5) (a) For purposes of the subtraction provided for in Subsection (1)(o), the amount of
211 a reduction in basis shall be allowed as an expense for the taxable year in which a federal tax
212 credit is claimed if:
- 213 (i) there is a reduction in federal basis for a federal tax credit; and

214 (ii) there is no corresponding tax credit allowed in this state.

215 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
216 commission may by rule define what constitutes an item similar to Subsections (1)(o)(i)
217 through (iv).

218 Section 2. Section **59-10-114** is amended to read:

219 **59-10-114. Additions to and subtractions from adjusted gross income of an**
220 **individual.**

221 (1) There shall be added to adjusted gross income of a resident or nonresident
222 individual:

223 (a) a lump sum distribution that the taxpayer does not include in adjusted gross income
224 on the taxpayer's federal individual income tax return for the taxable year;

225 (b) the amount of a child's income calculated under Subsection (4) that:

226 (i) a parent elects to report on the parent's federal individual income tax return for the
227 taxable year; and

228 (ii) the parent does not include in adjusted gross income on the parent's federal
229 individual income tax return for the taxable year;

230 (c) (i) a withdrawal from a medical care savings account and any penalty imposed for
231 the taxable year if:

232 (A) the resident or nonresident individual does not deduct the amounts on the resident
233 or nonresident individual's federal individual income tax return under Section 220, Internal
234 Revenue Code;

235 (B) the withdrawal is subject to Subsections [31A-32a-105\(1\)](#) and (2); and

236 (C) the withdrawal is subtracted on, or used as the basis for claiming a tax credit on, a
237 return the resident or nonresident individual files under this chapter;

238 (ii) a disbursement required to be added to adjusted gross income in accordance with
239 Subsection [31A-32a-105\(3\)](#); or

240 (iii) an amount required to be added to adjusted gross income in accordance with
241 Subsection [31A-32a-105\(5\)\(c\)](#);

242 (d) the amount withdrawn under Title 53B, Chapter 8a, Utah Educational Savings Plan,
243 from the account of a resident or nonresident individual who is an account owner as defined in
244 Section [53B-8a-102](#), for the taxable year for which the amount is withdrawn, if that amount

245 withdrawn from the account of the resident or nonresident individual who is the account
246 owner:

247 (i) is not expended for:

248 (A) higher education costs as defined in Section 53B-8a-102.5; or

249 (B) a payment or distribution that qualifies as an exception to the additional tax for
250 distributions not used for educational expenses provided in Sections 529(c) and 530(d),
251 Internal Revenue Code; and

252 (ii) is:

253 (A) subtracted by the resident or nonresident individual:

254 (I) who is the account owner; and

255 (II) on the resident or nonresident individual's return filed under this chapter for a
256 taxable year beginning on or before December 31, 2007; or

257 (B) used as the basis for the resident or nonresident individual who is the account
258 owner to claim a tax credit under Section 59-10-1017;

259 (e) except as provided in Subsection (5), for bonds, notes, and other evidences of
260 indebtedness acquired on or after January 1, 2003, the interest from bonds, notes, and other
261 evidences of indebtedness:

262 (i) issued by one or more of the following entities:

263 (A) a state other than this state;

264 (B) the District of Columbia;

265 (C) a political subdivision of a state other than this state; or

266 (D) an agency or instrumentality of an entity described in Subsections (1)(e)(i)(A)
267 through (C); and

268 (ii) to the extent the interest is not included in adjusted gross income on the taxpayer's
269 federal income tax return for the taxable year;

270 (f) subject to Subsection (2)(c), any distribution received by a resident beneficiary of a
271 resident trust of income that was taxed at the trust level for federal tax purposes, but was
272 subtracted from state taxable income of the trust pursuant to Subsection 59-10-202(2)(b);

273 (g) any distribution received by a resident beneficiary of a nonresident trust of
274 undistributed distributable net income realized by the trust on or after January 1, 2004, if that
275 undistributed distributable net income was taxed at the trust level for federal tax purposes, but

276 was not taxed at the trust level by any state, with undistributed distributable net income
277 considered to be distributed from the most recently accumulated undistributed distributable net
278 income; and

279 (h) any adoption expense:

280 (i) for which a resident or nonresident individual receives reimbursement from another
281 person; and

282 (ii) to the extent to which the resident or nonresident individual subtracts that adoption
283 expense:

284 (A) on a return filed under this chapter for a taxable year beginning on or before
285 December 31, 2007; or

286 (B) from federal taxable income on a federal individual income tax return.

287 (2) There shall be subtracted from adjusted gross income of a resident or nonresident
288 individual:

289 (a) the difference between:

290 (i) the interest or a dividend on an obligation or security of the United States or an
291 authority, commission, instrumentality, or possession of the United States, to the extent that
292 interest or dividend is:

293 (A) included in adjusted gross income for federal income tax purposes for the taxable
294 year; and

295 (B) exempt from state income taxes under the laws of the United States; and

296 (ii) any interest on indebtedness incurred or continued to purchase or carry the
297 obligation or security described in Subsection (2)(a)(i);

298 (b) for taxable years beginning on or after January 1, 2000, if the conditions of
299 Subsection (3)(a) are met, the amount of income derived by a Ute tribal member:

300 (i) during a time period that the Ute tribal member resides on homesteaded land
301 diminished from the Uintah and Ouray Reservation; and

302 (ii) from a source within the Uintah and Ouray Reservation;

303 (c) an amount received by a resident or nonresident individual or distribution received
304 by a resident or nonresident beneficiary of a resident trust:

305 (i) if that amount or distribution constitutes a refund of taxes imposed by:

306 (A) a state; or

307 (B) the District of Columbia; and
308 (ii) to the extent that amount or distribution is included in adjusted gross income for
309 that taxable year on the federal individual income tax return of the resident or nonresident
310 individual or resident or nonresident beneficiary of a resident trust;
311 (d) the amount of a railroad retirement benefit:
312 (i) paid:
313 (A) in accordance with The Railroad Retirement Act of 1974, 45 U.S.C. Sec. 231 et
314 seq.;

315 (B) to a resident or nonresident individual; and
316 (C) for the taxable year; and
317 (ii) to the extent that railroad retirement benefit is included in adjusted gross income on
318 that resident or nonresident individual's federal individual income tax return for that taxable
319 year;

320 (e) an amount:
321 (i) received by an enrolled member of an American Indian tribe; and
322 (ii) to the extent that the state is not authorized or permitted to impose a tax under this
323 part on that amount in accordance with:
324 (A) federal law;
325 (B) a treaty; or
326 (C) a final decision issued by a court of competent jurisdiction;
327 (f) an amount received:
328 (i) for the interest on a bond, note, or other obligation issued by an entity for which
329 state statute provides an exemption of interest on its bonds from state individual income tax;
330 (ii) by a resident or nonresident individual;
331 (iii) for the taxable year; and
332 (iv) to the extent the amount is included in adjusted gross income on the taxpayer's
333 federal income tax return for the taxable year;

334 (g) the amount of all income, including income apportioned to another state, of a
335 nonmilitary spouse of an active duty military member if:
336 (i) both the nonmilitary spouse and the active duty military member are nonresident
337 individuals;

- 338 (ii) the active duty military member is stationed in Utah;
- 339 (iii) the nonmilitary spouse is subject to the residency provisions of 50 U.S.C. Sec.
- 340 4001(a)(2); and
- 341 (iv) the income is included in adjusted gross income for federal income tax purposes
- 342 for the taxable year;
- 343 (h) for a taxable year beginning on or after January 1, 2019, but beginning on or before
- 344 December 31, 2019, only:
- 345 (i) the amount of any FDIC premium paid or incurred by the taxpayer that is
- 346 disallowed as a deduction for federal income tax purposes under Section 162(r), Internal
- 347 Revenue Code, on the taxpayer's 2018 federal income tax return; plus
- 348 (ii) the amount of any FDIC premium paid or incurred by the taxpayer that is
- 349 disallowed as a deduction for federal income tax purposes under Section 162(r), Internal
- 350 Revenue Code, for the taxable year;
- 351 (i) for a taxable year beginning on or after January 1, 2020, the amount of any FDIC
- 352 premium paid or incurred by the taxpayer that is disallowed as a deduction for federal income
- 353 tax purposes under Section 162(r), Internal Revenue Code, for the taxable year; ~~and~~
- 354 (j) for a taxable year beginning on or after January 1, 2020, but beginning on or before
- 355 December 31, 2020, the amount:
- 356 (i) of a paycheck protection loan similar to a loan forgiven in accordance with 15
- 357 U.S.C. Sec. 636(a)(36) that is:
- 358 (A) authorized by the federal government;
- 359 (B) provided in response to COVID-19;
- 360 (C) forgiven if the borrower meets the expenditure requirements; and
- 361 (D) subject to federal income tax, to the extent that a deduction for the expenditures
- 362 paid with the loan is disallowed;
- 363 (ii) that a resident or a nonresident individual receives that is:
- 364 (A) authorized by the federal government as a tax credit for the 2020 tax year;
- 365 (B) provided in response to COVID-19;
- 366 (C) paid in advance of the filing of the individual's 2020 federal income tax return; and
- 367 (D) subject to federal income tax; and
- 368 (iii) of any grant funds or forgiven loans that:

369 (A) the resident or nonresident individual receives from the state, a county within the
370 state, or a municipality within the state in response to COVID-19;

371 (B) are funded by using federal revenue received by the state, the county, or the
372 municipality to respond to COVID-19; and

373 (C) are included in adjusted gross income[-]; and

374 (k) for a taxable year beginning on or after January 1, 2021, but beginning on or before
375 December 31, 2021, the amount of any grant funds the resident or nonresident individual
376 receives under Title 63N, Chapter 15, Part 6, Small Businesses Paycheck Protection Program
377 Recipient Relief Grant Program, to the extent that the grant funds are included in adjusted
378 gross income.

379 (3) (a) A subtraction for an amount described in Subsection (2)(b) is allowed only if:

380 (i) the taxpayer is a Ute tribal member; and

381 (ii) the governor and the Ute tribe execute and maintain an agreement meeting the
382 requirements of this Subsection (3).

383 (b) The agreement described in Subsection (3)(a):

384 (i) may not:

385 (A) authorize the state to impose a tax in addition to a tax imposed under this chapter;

386 (B) provide a subtraction under this section greater than or different from the

387 subtraction described in Subsection (2)(b); or

388 (C) affect the power of the state to establish rates of taxation; and

389 (ii) shall:

390 (A) provide for the implementation of the subtraction described in Subsection (2)(b);

391 (B) be in writing;

392 (C) be signed by:

393 (I) the governor; and

394 (II) the chair of the Business Committee of the Ute tribe;

395 (D) be conditioned on obtaining any approval required by federal law; and

396 (E) state the effective date of the agreement.

397 (c) (i) The governor shall report to the commission by no later than February 1 of each
398 year regarding whether or not an agreement meeting the requirements of this Subsection (3) is
399 in effect.

400 (ii) If an agreement meeting the requirements of this Subsection (3) is terminated, the
401 subtraction permitted under Subsection (2)(b) is not allowed for taxable years beginning on or
402 after the January 1 following the termination of the agreement.

403 (d) For purposes of Subsection (2)(b) and in accordance with Title 63G, Chapter 3,
404 Utah Administrative Rulemaking Act, the commission may make rules:

405 (i) for determining whether income is derived from a source within the Uintah and
406 Ouray Reservation; and

407 (ii) that are substantially similar to how adjusted gross income derived from Utah
408 sources is determined under Section [59-10-117](#).

409 (4) (a) For purposes of this Subsection (4), "Form 8814" means:

410 (i) the federal individual income tax Form 8814, Parents' Election To Report Child's
411 Interest and Dividends; or

412 (ii) (A) a form designated by the commission in accordance with Subsection
413 (4)(a)(ii)(B) as being substantially similar to 2000 Form 8814 if for purposes of federal
414 individual income taxes the information contained on 2000 Form 8814 is reported on a form
415 other than Form 8814; and

416 (B) for purposes of Subsection (4)(a)(ii)(A) and in accordance with Title 63G, Chapter
417 3, Utah Administrative Rulemaking Act, the commission may make rules designating a form as
418 being substantially similar to 2000 Form 8814 if for purposes of federal individual income
419 taxes the information contained on 2000 Form 8814 is reported on a form other than Form
420 8814.

421 (b) The amount of a child's income added to adjusted gross income under Subsection
422 (1)(b) is equal to the difference between:

423 (i) the lesser of:

424 (A) the base amount specified on Form 8814; and

425 (B) the sum of the following reported on Form 8814:

426 (I) the child's taxable interest;

427 (II) the child's ordinary dividends; and

428 (III) the child's capital gain distributions; and

429 (ii) the amount not taxed that is specified on Form 8814.

430 (5) Notwithstanding Subsection (1)(e), interest from bonds, notes, and other evidences

431 of indebtedness issued by an entity described in Subsections (1)(e)(i)(A) through (D) may not
432 be added to adjusted gross income of a resident or nonresident individual if, as annually
433 determined by the commission:

434 (a) for an entity described in Subsection (1)(e)(i)(A) or (B), the entity and all of the
435 political subdivisions, agencies, or instrumentalities of the entity do not impose a tax based on
436 income on any part of the bonds, notes, and other evidences of indebtedness of this state; or

437 (b) for an entity described in Subsection (1)(e)(i)(C) or (D), the following do not
438 impose a tax based on income on any part of the bonds, notes, and other evidences of
439 indebtedness of this state:

440 (i) the entity; or

441 (ii) (A) the state in which the entity is located; or

442 (B) the District of Columbia, if the entity is located within the District of Columbia.

443 Section 3. Section **63A-3-111** is amended to read:

444 **63A-3-111. COVID-19 economic recovery programs reports.**

445 (1) As used in this section:

446 (a) "COVID-19 economic recovery programs" means the programs created in:

447 (i) Title 9, Chapter 6, Part 9, COVID-19 Cultural Assistance Grant Program;

448 (ii) Subsection [63N-12-508\(3\)](#); and

449 (iii) Title 63N, Chapter 15, COVID-19 Economic Recovery Programs.

450 (b) "Legislative committee" means:

451 (i) the president of the Senate;

452 (ii) the speaker of the House of Representatives;

453 (iii) the minority leader of the Senate; and

454 (iv) the minority leader of the House of Representatives.

455 (2) Upon receiving the reports required by Sections [9-6-903](#), [63N-15-202](#), [~~and~~]

456 [63N-15-302](#), and [63N-15-603](#) and Subsection [63N-12-508\(3\)](#), the director, in conjunction with
457 the Division of Arts and Museums and the Governor's Office of Economic Development, shall
458 present to the legislative committee the COVID-19 economic recovery programs.

459 (3) The legislative committee may make recommendations for adjustments to the
460 COVID-19 economic recovery programs.

461 Section 4. Section **63I-2-263** is amended to read:

- 462 **63I-2-263. Repeal dates, Title 63A to Title 63N.**
463 ~~[(1) On July 1, 2020:]~~
464 ~~[(a) Subsection 63A-1-203(5)(a)(i) is repealed; and]~~
465 ~~[(b) in Subsection 63A-1-203(5)(a)(ii), the language that states "appointed on or after~~
466 ~~May 8, 2018," is repealed.]~~
467 ~~[(2)]~~ (1) (a) Section 63A-3-111 is repealed June 30, ~~[2021]~~ 2022.
468 (b) Subsection 63A-3-111(1)(a)(i), referencing Title 9, Chapter 6, Part 9, COVID-19
469 Cultural Assistance Grant Program, is repealed June 30, 2021.
470 (c) Subsection 63A-3-111(1)(a)(ii), referencing Subsection 63N-12-508(3), is repealed
471 June 30, 2021.
472 (d) Subsection 63A-3-111(2) is amended to read, on June 30, 2021:
473 "(2) Upon receiving the reports required by Sections 63N-15-202, 63N-15-302, and
474 63N-15-603, the director shall present to the legislative committee the COVID-19 economic
475 recovery programs."
476 ~~[(3)]~~ (2) Title 63C, Chapter 19, Higher Education Strategic Planning Commission is
477 repealed July 1, 2021.
478 ~~[(4)]~~ (3) Title 63C, Chapter 22, Digital Wellness, Citizenship, and Safe Technology
479 Commission is repealed July 1, 2023.
480 ~~[(5)]~~ (4) The following sections regarding the World War II Memorial Commission are
481 repealed on July 1, 2022:
482 (a) Section 63G-1-801;
483 (b) Section 63G-1-802;
484 (c) Section 63G-1-803; and
485 (d) Section 63G-1-804.
486 ~~[(6) Subsections 63G-6a-802(1)(d) and 63G-6a-802(3)(b)(iii), regarding a procurement~~
487 ~~relating to a vice presidential debate, are repealed January 1, 2021.]~~
488 ~~[(7) In relation to the State Fair Park Committee, on January 1, 2021:]~~
489 ~~[(a) Section 63H-6-104.5 is repealed; and]~~
490 ~~[(b) Subsections 63H-6-104(8) and (9) are repealed.]~~
491 ~~[(8)]~~ (5) Section 63H-7a-303 is repealed July 1, 2024.
492 ~~[(9)]~~ (6) Subsection 63J-1-206(3)(c), relating to coronavirus, is repealed July 1, 2021.

493 [(10)] (7) In relation to the Employability to Careers Program Board, on July 1, 2022:

494 (a) Subsection 63J-1-602.1(57) is repealed;

495 (b) Subsection 63J-4-301(1)(h), related to the review of data and metrics, is repealed;

496 and

497 (c) Title 63J, Chapter 4, Part 7, Employability to Careers Program, is repealed.

498 [(11)] (8) Title 63M, Chapter 4, Part 8, Voluntary Home Energy Information Pilot

499 Program Act, is repealed January 1, 2022.

500 [(12)] (9) Sections 63M-7-213 and 63M-7-213.5 are repealed ~~on~~ January 1, 2023.

501 [(13)] (10) Subsection 63N-12-508(3) is repealed December 31, 2021.

502 [(14)] (11) Title 63N, Chapter 13, Part 3, Facilitating Public-Private Partnerships Act,

503 is repealed January 1, 2024.

504 [(15)] (12) Title 63N, Chapter 15, COVID-19 Economic Recovery Programs, is

505 repealed ~~[December 31, 2021]~~ June 30, 2022.

506 Section 5. Section 63N-15-103 is amended to read:

507 **63N-15-103. Reporting and use of appropriations.**

508 (1) The office shall include in the office's 2020 and 2021 annual reports to the governor

509 and the Legislature under Section 63N-1-301 the following information about each of the grant

510 programs established under this chapter:

511 (a) the number of applications submitted under the grant program;

512 (b) the number of grants awarded under the grant program;

513 (c) the aggregate amount of grant funds awarded under the grant program; and

514 (d) any other information the office considers relevant to evaluating the success of the

515 grant program.

516 (2) After providing notice to members of the legislative committee, the executive

517 director, in cooperation with the director of the Division of Finance, may move funds among

518 the following programs to make efficient and full use of CARES Act and state funding:

519 (a) the COVID-19 Commercial Rental and Mortgage Assistance Program described in

520 Chapter 14, COVID-19 Commercial Rental and Mortgage Assistance Program;

521 (b) any of the programs described in this chapter;

522 (c) after consultation with the commissioner of the Department of Agriculture and

523 Food, the COVID-19 Agricultural Operations Grant Program described in Section 4-18-106.1;

524 (d) after consultation with the executive director of the Department of Heritage and
525 Arts, the COVID-19 Cultural Assistance Grant Program described in Title 9, Chapter 6, Part 9,
526 COVID-19 Cultural Assistance Grant Program; and

527 (e) after consultation with the executive director of the Department of Workforce
528 Services, COVID-19 Residential Housing Assistance described in Title 35A, Chapter 8, Part
529 23, COVID-19 Residential Housing Assistance.

530 Section 6. Section **63N-15-601** is enacted to read:

531 **Part 6. Small Business Paycheck Protection Program Recipient**

532 **Relief Grant Program**

533 **63N-15-601. Definitions.**

534 As used in this part:

535 (1) "Paycheck protection program loan" means:

536 (a) a loan forgiven in accordance with 15 U.S.C. 636(a)(36) that is subject to Utah
537 income tax; or

538 (b) a similar paycheck protection loan that is:

539 (i) authorized by the federal government;

540 (ii) provided in response to COVID-19;

541 (iii) forgiven if the business meets the expenditure requirements; and

542 (iv) exempt from federal income tax but subject to Utah income tax.

543 (2) "PPP recipient" means a business, regardless of number of locations in the state,

544 that:

545 (a) (i) was in operation and generated income in the state during tax years 2019 and
546 2020;

547 (ii) remains in operation in the state as of May 5, 2021; and

548 (iii) (A) is properly registered with the Division of Corporations and Commercial
549 Code;

550 (B) is a Tribal business concern described in 15 U.S.C. Sec. 657a(b)(2)(C); or

551 (C) is an individual who operates under a sole proprietorship, operates as an
552 independent contractor, or is self-employed;

553 (b) has received one or more paycheck protection program loans in a total amount of
554 \$150,000 or less;

555 (c) has a revenue loss of 25% or more; and
 556 (d) has Utah taxable income for the 2020 tax year of \$100,000 or less, as calculated by:
 557 (i) including any paycheck protection program loan and all other taxable income; or
 558 (ii) excluding any paycheck protection program loan.
 559 (3) "Revenue loss" means the amount of the PPP recipient's loss in this state for the
 560 2020 tax year calculated by subtracting the 2020 tax year revenue from the 2019 tax year
 561 revenue.

562 (4) "Utah taxable income" means:
 563 (a) for a PPP recipient that files a tax return under Title 59, Chapter 7, Corporate
 564 Franchise and Income Taxes, the same as that term is defined in Section 59-7-101; or
 565 (b) for a PPP recipient that files a tax return under Title 59, Chapter 10, Individual
 566 Income Tax Act, the same as the term "taxable income" is defined in Section 59-10-103.

567 Section 7. Section **63N-15-602** is enacted to read:

568 **63N-15-602. Creation of Small Business Paycheck Protection Program Recipient**
 569 **Relief Grant Program.**

570 (1) There is established a grant program known as the Small Business Paycheck
 571 Protection Program Recipient Relief Grant Program.

572 (2) (a) Subject to Subsection (2)(b), the office may award a PPP recipient that applies
 573 under this part a grant equal to the amount of the PPP recipient's tax liability.

574 (b) (i) The office may not award a PPP recipient more than \$5,000 in grant funds.

575 (ii) The office may not award more than \$15,000,000 in grant funds to all applicants.

576 (3) (a) The office shall establish processes and procedures for a PPP recipient to
 577 participate in the grant program.

578 (b) As a condition of receiving grant funds, the office may require a PPP recipient to
 579 provide evidence of income during the 2019 and 2020 tax years, income tax liability during the
 580 2020 tax year, and the amount of any paycheck protection program loan received.

581 Section 8. Section **63N-15-603** is enacted to read:

582 **63N-15-603. Duties of the office.**

583 (1) As soon as is practicable, but on or before August 1, 2021, the office shall:

584 (a) establish an application process by which a PPP recipient may apply for a grant
 585 under this part, which application shall include:

586 (i) a declaration, signed under penalty of perjury, that the application is complete, true,
587 and correct; and

588 (ii) an acknowledgment that the PPP recipient is subject to audit; and

589 (b) establish a method for the office to determine which applicants are eligible to
590 receive a grant;

591 (c) establish a formula to award grant funds; and

592 (d) report the information described in Subsections (1)(a) through (c) to the director of
593 the Division of Finance.

594 (2) The office shall:

595 (a) participate in the presentation that the director of the Division of Finance provides
596 to the legislative committee under Section [63A-3-111](#); and

597 (b) consider any recommendations for adjustments to the grant program from the
598 legislative committee.

599 (3) Subject to appropriation, beginning on or before August 1, 2021, the office shall:

600 (a) collect applications for grant funds from PPP recipients;

601 (b) determine which applicants meet the eligibility requirements for receiving a grant;

602 (c) award the grant funds after an initial application period that ends on or before
603 September 1, 2021; and

604 (d) if funds remain after the initial application period, continue to award grants on a
605 rolling basis until the earlier of funds being exhausted or December 31, 2021.

606 (4) (a) The office may audit a PPP recipient to ensure that the PPP recipient
607 experienced the revenue loss reported in the application.

608 (b) The office may recapture grant funds if, after audit, the office determines that a PPP
609 recipient made representations to the office about the PPP recipient's revenue loss that are not
610 complete, true, and correct.

611 (c) (i) A PPP recipient that is subject to recapture shall pay to the Division of Finance a
612 penalty equal to the amount of the grant recaptured multiplied by the applicable income tax rate
613 in Section [59-7-104](#) or [59-10-104](#).

614 (ii) The Division of Finance shall deposit the penalty into the Education Fund.

615 (5) The office shall encourage any PPP recipient that receives grant funds to commit to
616 following best practices to protect the health and safety of the PPP recipient's employees and

617 customers.

618 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
619 office may make rules to administer the grant program.

620 (7) As part of any advertisement of the Small Business Paycheck Protection Program
621 Recipient Relief Grant Program, the office:

622 (a) shall encourage economically disadvantaged PPP recipients, including
623 minority-owned and woman-owned business entities, that meet the eligibility requirements to
624 apply for grant funds; and

625 (b) may feature any PPP recipient that:

626 (i) shows evidence of a commitment to following best practices to protect the health
627 and safety of the PPP recipient's employees and customers; and

628 (ii) consents to being featured.