

State by State Guide to PPP Loan Taxability

As legislators across the country meet to respond to the pandemic's effect on their state's economy, the question of how state taxes will apply to federal stimulus programs is being debated. Information on the taxability of PPP loans for all states are summarized below. As these are frequently updated, we recommend that users check the links for each jurisdiction for specific details and requirements.

ST	TAXABILITY OF CARES ACT PPP LOAN FORGIVENESS	DEDUCTIBILITY OF EXPENSES PAID WITH PPP LOAN PROCEEDS AS PROVIDED BY THE CAA
AK	Specific guidance has not been issued.	Specific guidance has not been issued.
AL	Not taxable.	Deductible.
AR	Not taxable.	Deductible.
AZ	Specific guidance has not been issued.	Specific guidance has not been issued.
CA	Not taxable in introduced legislation.	Partially deductible in introduced legislation. The legislation would allow companies to deduct up to \$150,000 in expenses covered by the PPP loan.
CO	Not taxable.	Deductible for tax years ending on and after December 27, 2020.
CT	Not taxable.	Deductible.
DC	Not taxable.	Specific guidance has not been issued.
DE	Specific guidance has not been issued.	Specific guidance has not been issued.
FL	Specific guidance has not been issued.	Specific guidance has not been issued.

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GA	Not taxable.	Deductible.
HI	Not taxable.	Not deductible.
IA	Not taxable.	Deductible (tax years beginning Jan. 1, 2020 and beyond). Note that for tax year 2019 (fiscal-year filers), PPP loan related qualifying expenses are not deductible. Iowa is conformed with the income exclusion for forgiven PPP loans, but is not conformed with the deductibility of qualifying expenses.
ID	Not taxable.	Deductible.
IL	Not taxable.	Deductible.
IN	Not taxable.	Deductible.
KS	Specific guidance has not been issued.	Specific guidance has not been issued.
KY	Not taxable.	Deductible.
LA	Not taxable.	Specific guidance has not been issued.
MA	Not taxable for corporate. Taxable for individuals. Legislation has been introduced to make PPP forgiven loans not taxable for individuals.	Deductible for corporations and individuals.
MD	Not taxable.	Specific guidance has not been issued.
ME	Not taxable.	Deductible.
MI	Specific guidance has not been issued.	Specific guidance has not been issued.
MN	Not taxable in introduced legislation.	Deductible in introduced legislation.
MO	Specific guidance has not been issued.	Specific guidance has not been issued.
MS	Not taxable.	Deductible to the extent allowed for federal.

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MT	Not taxable.	Deductible.
NC	Not taxable.	Deductible in introduced legislation.
ND	Specific guidance has not been issued.	Specific guidance has not been issued.
NE	Not taxable.	Deductible.
NH	Taxable.	Deductible.
NJ	Not taxable in introduced legislation.	Deductible in introduced legislation.
NM	Not taxable.	Deductible.
NV	N/A	N/A
NY	Not taxable.	Deductible.
OH	Not taxable and excluded from gross receipts for the commercial activity tax.	Specific guidance has not been issued.
OK	Not taxable.	Deductible.
OR	Not taxable and not considered commercial activity for CAT.	Deductible.
PA	Not taxable.	Deductible.
RI	Specific guidance has not been issued.	Specific guidance has not been issued.
SC	Not taxable.	Deductible.
SD	N/A	N/A
TN	Not taxable.	Deductible.

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TX	Currently taxable, but there is proposed legislation to exclude it from gross receipts	Currently deductible, but may change if it ends up being excluded from gross receipts
UT	Taxable, there is proposed legislation to make it not taxable.	Specific guidance has not been issued.
VA	Not taxable.	Partial deduction of up to \$100K
VT	Not taxable in introduced legislation.	Deductible in introduced legislation.
WA	Not taxable.	N/A
WI	Not taxable.	Deductible.
WV	Not taxable.	Deductible.
WY	N/A	N/A