

1       gency (as defined in section 3502(a)(4) of the  
2       CARES Act).

3       (c) **LIMITATION.**—This section shall not apply to that  
4       portion of any amount received which represents payment  
5       for teaching, research, or other services required as a con-  
6       dition for receiving the qualified emergency financial aid  
7       grant.

8       (d) **EFFECTIVE DATE.**—This section shall apply to  
9       qualified emergency financial aid grants made after March  
10      26, 2020.

11      **SEC. 278. CLARIFICATION OF TAX TREATMENT OF CERTAIN**  
12                              **LOAN FORGIVENESS AND OTHER BUSINESS**  
13                              **FINANCIAL ASSISTANCE.**

14      (a) **UNITED STATES TREASURY PROGRAM MANAGE-**  
15      **MENT AUTHORITY.**—For purposes of the Internal Rev-  
16      enue Code of 1986—

17              (1) no amount shall be included in the gross in-  
18              come of a borrower by reason of forgiveness of in-  
19              debtedness described in section 1109(d)(2)(D) of the  
20              CARES Act,

21              (2) no deduction shall be denied, no tax at-  
22              tribute shall be reduced, and no basis increase shall  
23              be denied, by reason of the exclusion from gross in-  
24              come provided by paragraph (1), and

1           (3) in the case of a borrower that is a partner-  
2           ship or S corporation—

3                   (A) any amount excluded from income by  
4                   reason of paragraph (1) shall be treated as tax  
5                   exempt income for purposes of sections 705 and  
6                   1366 of the Internal Revenue Code of 1986,  
7                   and

8                   (B) except as provided by the Secretary of  
9                   the Treasury (or the Secretary's delegate), any  
10                  increase in the adjusted basis of a partner's in-  
11                  terest in a partnership under section 705 of the  
12                  Internal Revenue Code of 1986 with respect to  
13                  any amount described in subparagraph (A)  
14                  shall equal the partner's distributive share of  
15                  deductions resulting from costs giving rise to  
16                  forgiveness described in section 1109(d)(2)(D)  
17                  of the CARES Act.

18           (b) **EMERGENCY EIDL GRANTS AND TARGETED**  
19 **EIDL ADVANCES.**—For purposes of the Internal Revenue  
20 Code of 1986—

21                   (1) any advance described in section 1110(e) of  
22                   the CARES Act or any funding under section 331  
23                   of the Economic Aid to Hard-Hit Small Businesses,  
24                   Nonprofits, and Venues Act shall not be included in

1 the gross income of the person that receives such ad-  
2 vance or funding,

3 (2) no deduction shall be denied, no tax at-  
4 tribute shall be reduced, and no basis increase shall  
5 be denied, by reason of the exclusion from gross in-  
6 come provided by paragraph (1), and

7 (3) in the case of a partnership or S corpora-  
8 tion that receives such advance or funding—

9 (A) any amount excluded from income by  
10 reason of paragraph (1) shall be treated as tax  
11 exempt income for purposes of sections 705 and  
12 1366 of the Internal Revenue Code of 1986,  
13 and

14 (B) the Secretary of the Treasury (or the  
15 Secretary's delegate) shall prescribe rules for  
16 determining a partner's distributive share of  
17 any amount described in subparagraph (A) for  
18 purposes of section 705 of the Internal Revenue  
19 Code of 1986.

20 (c) SUBSIDY FOR CERTAIN LOAN PAYMENTS.—For  
21 purposes of the Internal Revenue Code of 1986—

22 (1) any payment described in section 1112(c) of  
23 the CARES Act shall not be included in the gross  
24 income of the person on whose behalf such payment  
25 is made,

1           (2) no deduction shall be denied, no tax at-  
2           tribute shall be reduced, and no basis increase shall  
3           be denied, by reason of the exclusion from gross in-  
4           come provided by paragraph (1), and

5           (3) in the case of a partnership or S corpora-  
6           tion on whose behalf of a payment described in sec-  
7           tion 1112(c) of the CARES Act is made—

8                   (A) any amount excluded from income by  
9                   reason of paragraph (1) shall be treated as tax  
10                  exempt income for purposes of sections 705 and  
11                  1366 of the Internal Revenue Code of 1986,  
12                  and

13                   (B) except as provided by the Secretary of  
14                   the Treasury (or the Secretary's delegate), any  
15                   increase in the adjusted basis of a partner's in-  
16                   terest in a partnership under section 705 of the  
17                   Internal Revenue Code of 1986 with respect to  
18                   any amount described in subparagraph (A)  
19                   shall equal the sum of the partner's distributive  
20                   share of deductions resulting from interest and  
21                   fees described in section 1112(c) of the CARES  
22                   Act and the partner's share, as determined  
23                   under section 752 of the Internal Revenue Code  
24                   of 1986, of principal described in section  
25                   1112(c) of the CARES Act.

1 (d) GRANTS FOR SHUTTERED VENUE OPERATORS.—

2 For purposes of the Internal Revenue Code of 1986—

3 (1) any grant made under section 324 of the  
4 Economic Aid to Hard-Hit Small Businesses, Non-  
5 profits, and Venues Act shall not be included in the  
6 gross income of the person that receives such grant,

7 (2) no deduction shall be denied, no tax at-  
8 tribute shall be reduced, and no basis increase shall  
9 be denied, by reason of the exclusion from gross in-  
10 come provided by paragraph (1), and

11 (3) in the case of a partnership or S corpora-  
12 tion that receives such grant—

13 (A) any amount excluded from income by  
14 reason of paragraph (1) shall be treated as tax  
15 exempt income for purposes of sections 705 and  
16 1366 of the Internal Revenue Code of 1986,  
17 and

18 (B) the Secretary of the Treasury (or the  
19 Secretary's delegate) shall prescribe rules for  
20 determining a partner's distributive share of  
21 any amount described in subparagraph (A) for  
22 purposes of section 705 of the Internal Revenue  
23 Code of 1986.

24 (e) EFFECTIVE DATES.—

1           (1) IN GENERAL.—Except as otherwise pro-  
2           vided in this subsection, subsections (a), (b), and (c)  
3           shall apply to taxable years ending after the date of  
4           the enactment of the CARES Act.

5           (2) GRANTS FOR SHUTTERED VENUE OPERA-  
6           TORS; TARGETED EIDL ADVANCES.—Subsection (d),  
7           and so much of subsection (b) as relates to funding  
8           under section 331 of the Economic Aid to Hard-Hit  
9           Small Businesses, Nonprofits, and Venues Act, shall  
10          apply to taxable years ending after the date of the  
11          enactment of this Act.

12 **SEC. 279. AUTHORITY TO WAIVE CERTAIN INFORMATION**  
13                                   **REPORTING REQUIREMENTS.**

14          The Secretary of the Treasury (or the Secretary’s  
15          delegate) may provide an exception from any requirement  
16          to file an information return otherwise required by chapter  
17          61 of the Internal Revenue Code of 1986 with respect to  
18          any amount excluded from gross income by reason of sec-  
19          tion 7A(i) of the Small Business Act or section 276(b),  
20          277, or 278 of this subtitle.

21 **SEC. 280. APPLICATION OF SPECIAL RULES TO MONEY PUR-**  
22                                   **CHASE PENSION PLANS.**

23          (a) IN GENERAL.—Section 2202(a)(6)(B) of the  
24          CARES Act is amended by inserting “, and, in the case  
25          of a money purchase pension plan, a coronavirus-related

1 distribution which is an in-service withdrawal shall be  
2 treated as meeting the distribution rules of section 401(a)  
3 of the Internal Revenue Code of 1986” before the period.

4 (b) EFFECTIVE DATE.—The amendment made by  
5 this section shall apply as if included in the enactment  
6 of section 2202 of the CARES Act.

7 **SEC. 281. ELECTION TO WAIVE APPLICATION OF CERTAIN**  
8 **MODIFICATIONS TO FARMING LOSSES.**

9 (a) IN GENERAL.—Section 2303 of the CARES Act  
10 is amended by adding at the end the following new sub-  
11 section:

12 “(e) SPECIAL RULES WITH RESPECT TO FARMING  
13 LOSSES.—

14 “(1) ELECTION TO DISREGARD APPLICATION OF  
15 AMENDMENTS MADE BY SUBSECTIONS (a) AND  
16 (b).—

17 “(A) IN GENERAL.—If a taxpayer who has  
18 a farming loss (within the meaning of section  
19 172(b)(1)(B)(ii) of the Internal Revenue Code  
20 of 1986) for any taxable year beginning in  
21 2018, 2019, or 2020 makes an election under  
22 this paragraph, then—

23 “(i) the amendments made by sub-  
24 section (a) shall not apply to any taxable

1 year beginning in 2018, 2019, or 2020,  
2 and

3 “(ii) the amendments made by sub-  
4 section (b) shall not apply to any net oper-  
5 ating loss arising in any taxable year be-  
6 ginning in 2018, 2019, or 2020.

7 “(B) ELECTION.—

8 “(i) IN GENERAL.—Except as pro-  
9 vided in clause (ii)(II), an election under  
10 this paragraph shall be made in such man-  
11 ner as may be prescribed by the Secretary.  
12 Such election, once made, shall be irrev-  
13 ocable.

14 “(ii) TIME FOR MAKING ELECTION.—

15 “(I) IN GENERAL.—An election  
16 under this paragraph shall be made  
17 by the due date (including extensions  
18 of time) for filing the taxpayer’s re-  
19 turn for the taxpayer’s first taxable  
20 year ending after the date of the en-  
21 actment of the COVID-related Tax  
22 Relief Act of 2020.

23 “(II) PREVIOUSLY FILED RE-  
24 TURNS.—In the case of any taxable  
25 year for which the taxpayer has filed