

1 agency (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