

105TH CONGRESS
1ST SESSION

H. R. 2819

To amend the Internal Revenue Code of 1986 to permanently extend the research credit and to modify the alternative incremental credit.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 5, 1997

Mrs. JOHNSON of Connecticut (for herself and Mr. MATSUI) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to permanently extend the research credit and to modify the alternative incremental credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXTENSION OF RESEARCH CREDIT.**

4 (a) CREDIT MADE PERMANENT.—

5 (1) IN GENERAL.—Section 41 of the Internal
6 Revenue Code of 1986 (relating to credit for increas-
7 ing research activities) is amended by striking sub-
8 section (h).

1 (2) CONFORMING AMENDMENT.—Paragraph (1)
2 of section 45C(b) of such Code is amended by strik-
3 ing subparagraph (D).

4 (b) INCREASE IN ALTERNATIVE INCREMENTAL
5 CREDIT RATES.—Subparagraph (A) of section 41(c)(4) of
6 such Code is amended—

7 (1) by striking “1.65 percent” in clause (i) and
8 inserting “2.65 percent”,

9 (2) by striking “2.2 percent” in clause (ii) and
10 inserting “3.2 percent”, and

11 (3) by striking “2.75 percent” in clause (iii)
12 and inserting “3.75 percent”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to amounts paid or incurred after
15 June 30, 1998.

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