

106TH CONGRESS  
1ST SESSION

# H. R. 835

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

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 1999

Mrs. JOHNSON of Connecticut (for herself, Mr. MATSUI, Mr. CRANE, Mr. COYNE, Mr. HOUGHTON, Mr. LEVIN, Mr. HERGER, Mr. CARDIN, Mr. CAMP, Mr. McDERMOTT, Mr. RAMSTAD, Mr. LEWIS of Georgia, Mr. SAM JOHNSON of Texas, Mr. NEAL of Massachusetts, Ms. DUNN, Mr. JEFFERSON, Mr. PORTMAN, Mr. BECERRA, Mr. ENGLISH, Mrs. THURMAN, Mr. WATKINS, Mr. WELLER, Mr. HULSHOF, Mr. McINNIS, Mr. LEWIS of Kentucky, Mr. FOLEY, Mr. ALLEN, Mr. BAIRD, Mr. BALDACCI, Mr. BLAGOJEVICH, Mr. BOEHLERT, Mr. BONIOR, Mr. CAMPBELL, Mr. CHAMBLISS, Mr. COOK, Mr. COX, Mr. CUNNINGHAM, Mr. DAVIS of Florida, Ms. DEGETTE, Ms. DELAURO, Mr. DEUTSCH, Mr. DIXON, Mr. DOOLEY of California, Mr. DREIER, Mr. EHLERS, Mr. EHRLICH, Ms. ESHOO, Mr. ETHERIDGE, Mr. FALEOMAVAEGA, Mr. FARR of California, Mr. FILNER, Mr. FRELINGHUYSEN, Mr. FROST, Mr. GEJDENSON, Mr. HALL of Texas, Mr. HOLT, Ms. HOOLEY of Oregon, Mr. INSLEE, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KIND, Mr. KOLBE, Mr. KUYKENDALL, Mr. LARSON, Ms. LOFGREN, Mr. LUCAS of Oklahoma, Mr. LUTHER, Mrs. MALONEY of New York, Mr. MALONEY of Connecticut, Mr. MARKEY, Ms. MCCARTHY of Missouri, Mr. McKEON, Mr. METCALF, Mr. MORAN of Virginia, Mrs. MORELLA, Mr. NEY, Mr. PALLONE, Ms. PELOSI, Mr. PETERSON of Pennsylvania, Mr. PICKERING, Mr. PRICE of North Carolina, Mr. ROEMER, Mr. ROGAN, Mr. SANDLIN, Mr. SAWYER, Mr. SHAYS, Mr. SHERMAN, Mr. SHOWS, Mr. SMITH of Washington, Mr. SNYDER, Ms. STABENOW, Mrs. TAUSCHER, Mr. TOWNS, Mr. UDALL of Colorado, Mr. WAXMAN, Mr. WELDON of Pennsylvania, Mr. WU, Mr. WYNN, Mr. WALDEN of Oregon, and Mr. VENTO) 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 adjust the alternative incremental credit rates.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## SECTION 1. EXTENSION OF RESEARCH CREDIT.

(a) CREDIT MADE PERMANENT.—

(1) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking subsection (h).

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

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

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

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

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

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to amounts paid or incurred after  
3 June 30, 1999.

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