

111TH CONGRESS
1ST SESSION

H. R. 422

To amend the Internal Revenue Code of 1986 to extend the research credit through 2010 and to increase and make permanent the alternative simplified research credit.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 9, 2009

Mr. MEEK of Florida (for himself and Mr. BRADY of Texas) 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 extend the research credit through 2010 and to increase and make permanent the alternative simplified research 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; ALTER-**
4 **NATIVE SIMPLIFIED RESEARCH CREDIT IN-**
5 **CREASED AND MADE PERMANENT.**

6 (a) EXTENSION OF CREDIT.—

7 (1) IN GENERAL.—Subparagraph (B) of section
8 41(h)(1) of the Internal Revenue Code of 1986 is

1 amended by striking “December 31, 2009” and in-
2 serting “December 31, 2010”.

3 (2) CONFORMING AMENDMENT.—Subparagraph
4 (D) of section 45C(b)(1) of such Code is amended
5 by striking “December 31, 2009” and inserting
6 “December 31, 2010”.

7 (3) EFFECTIVE DATE.—The amendments made
8 by this subsection shall apply to amounts paid or in-
9 curred after December 31, 2009.

10 (b) ALTERNATIVE SIMPLIFIED RESEARCH CREDIT
11 INCREASED AND MADE PERMANENT.—

12 (1) INCREASED CREDIT.—Subparagraph (A) of
13 section 41(c)(5) of such Code (relating to election of
14 alternative simplified credit) is amended by striking
15 “14 percent (12 percent in the case of taxable years
16 ending before January 1, 2009)” and inserting “20
17 percent”.

18 (2) CREDIT MADE PERMANENT.—

19 (A) IN GENERAL.—Subsection (h) of sec-
20 tion 41 of such Code is amended by redesign-
21 ating the paragraph (2) relating to computa-
22 tion of taxable year in which credit terminates
23 as paragraph (4) and by inserting before such
24 paragraph the following new paragraph:

1 “(3) TERMINATION NOT TO APPLY TO ALTER-
2 NATIVE SIMPLIFIED CREDIT.—Paragraph (1) shall
3 not apply to the credit determined under subsection
4 (c)(5).”.

5 (B) CONFORMING AMENDMENT.—Para-
6 graph (4) of section 41(h) of such Code, as re-
7 designated by subparagraph (A), is amended to
8 read as follows:

9 “(4) COMPUTATION FOR TAXABLE YEAR IN
10 WHICH CREDIT TERMINATES.—In the case of any
11 taxable year with respect to which this section ap-
12 plies to a number of days which is less than the total
13 number of days in such taxable year, the amount de-
14 termined under subsection (c)(1)(B) with respect to
15 such taxable year shall be the amount which bears
16 the same ratio to such amount (determined without
17 regard to this paragraph) as the number of days in
18 such taxable year to which this section applies bears
19 to the total number of days in such taxable year.”.

20 (3) EFFECTIVE DATE.—The amendment made
21 by this subsection shall apply to taxable years end-
22 ing after December 31, 2008.

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