

112TH CONGRESS
2D SESSION

H. R. 6678

To amend the Internal Revenue Code of 1986 to encourage research at community colleges and other institutions of higher education, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2012

Mr. HOLT introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to encourage research at community colleges and other institutions of higher education, and for other purposes.

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. SHORT TITLE.**

4 This Act may be cited as the “College Research Edu-
5 cation and Teacher Excellence (CREATE) Opportunity
6 Act of 2012”.

1 **TITLE I—RESEARCH CREDIT**
2 **MADE PERMANENT AND**
3 **OTHER MODIFICATIONS**

4 **SEC. 101. RESEARCH CREDIT MADE PERMANENT AND**
5 **OTHER MODIFICATIONS.**

6 (a) CREDIT MADE PERMANENT.—

7 (1) IN GENERAL.—Section 41 of the Internal
8 Revenue Code of 1986 is amended by striking sub-
9 section (h).

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

13 (b) INCREASED PERCENTAGE OF CONTRACT RE-
14 SEARCH EXPENSES PAID TO COLLEGES AND UNIVER-
15 SITIES.—Paragraph (3) of section 41(b) of such Code is
16 amended by adding at the end the following new subpara-
17 graph:

18 “(E) AMOUNTS PAID TO COLLEGES AND
19 UNIVERSITIES.—In the case of amounts paid
20 for qualified research by the taxpayer to an in-
21 stitution of higher education (as defined in sec-
22 tion 3304(f))—

23 “(i) subparagraph (A) shall be applied
24 by substituting ‘100 percent’ for ‘65 per-
25 cent’, and

1 “(ii) subparagraphs (C) and (D) shall
2 not apply.”.

3 (c) RESEARCH IN SOCIAL SCIENCES INCLUDED IN
4 QUALIFIED RESEARCH.—Subparagraph (G) of section
5 41(d)(6) of such Code is amended—

6 (1) by striking “social sciences, arts,” in the
7 text and inserting “arts”, and

8 (2) by striking “SOCIAL SCIENCES, ETC” in the
9 heading and inserting “ARTS AND HUMANITIES”.

10 (d) EFFECTIVE DATE.—The amendment made by
11 subsection (a) shall apply to amounts paid or incurred
12 after December 31, 2011.

13 **TITLE II—YEAR-ROUND PELL** 14 **GRANTS**

15 **SEC. 201. AMENDMENTS.**

16 Section 401(b) of the Higher Education Act of 1965
17 (20 U.S.C. 1070a(b)) is amended—

18 (1) by redesignating paragraphs (5) through
19 (7) as paragraphs (6) through (8), respectively; and

20 (2) by inserting after paragraph (4), the fol-
21 lowing new paragraph:

22 “(5)(A) In the case of a student attending a
23 junior or community college (as defined in section
24 312(f)), the Secretary shall award the student not
25 more than two Federal Pell Grants during a single

1 award year to permit such student to accelerate the
2 student’s progress toward a degree or certificate if
3 the student is enrolled—

4 “(i) on at least a half-time basis for a pe-
5 riod of more than one academic year, or more
6 than two semesters or an equivalent period of
7 time, during a single award year; and

8 “(ii) in a program of instruction at the
9 junior or community college for which the col-
10 lege awards an associate degree or a certificate.

11 “(B) In the case of a student receiving more
12 than one Federal Pell Grant in a single award year
13 under subparagraph (A), the total amount of Fed-
14 eral Pell Grants awarded to such student for the
15 award year may exceed the maximum basic grant
16 level specified in the appropriate appropriations Act
17 for such award year.”.

18 **SEC. 202. CONFORMING CHANGE.**

19 Section 401(b)(2)(A)(ii) of the Higher Education Act
20 of 1965 (20 U.S.C. 1070a(b)(2)(A)(ii)) is amended by
21 striking “paragraph (7)(B)” and inserting “paragraph
22 (8)(B)”.

1 **SEC. 203. EFFECTIVE DATE.**

2 The amendments made by section 201 shall be effective for award year 2013–2014 and each succeeding award
3
4 year.

5 **TITLE III—AMENDMENTS TO**
6 **THE TEACH GRANT PROGRAM**

7 **SEC. 301. AMENDMENTS.**

8 Section 420N of the Higher Education Act of 1965
9 (20 U.S.C. 1070g–2) is amended—

10 (1) by amending subsection (b)(2) to read as
11 follows:

12 “(2) in the event that the applicant is determined to have failed or refused to comply with all
13 or part of such service obligation, at least a portion
14 of the amount of any TEACH Grants received by
15 such applicant will be treated as a loan and collected
16 from the applicant in accordance with subsection (c)
17 and the regulations thereunder; and”.

18 (2) by amending subsection (c) to read as follows:
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20

21 “(c) REPAYMENT FOR INABILITY TO COMPLETE
22 SERVICE.—In the event that a recipient of a grant under
23 this subpart fails or refuses to comply with all or part of
24 the recipient’s service obligation in the agreement under
25 subsection (b) and is not excused from fulfilling that portion
26 of the service obligation under subsection (d)(2), the

1 sum of the amounts of any TEACH Grants received by
2 such recipient shall, upon a determination of such a failure
3 or refusal in such service obligation, be treated as a Fed-
4 eral Direct Unsubsidized Stafford Loan under part D of
5 title IV, and shall be subject to repayment, together with
6 interest thereon accruing from the date of the grant
7 award, but only in proportion to the degree to which the
8 recipient fails or refuses to comply with such service obli-
9 gation and in accordance with terms and conditions speci-
10 fied by the Secretary in regulations under this subpart.”.

11 **SEC. 302. EFFECTIVE DATE.**

12 The amendments made by section 301 shall apply to
13 TEACH grants awarded for academic year 2013–2014
14 and each succeeding academic year.

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