

112TH CONGRESS
2D SESSION

S. 3232

To amend the Internal Revenue Code of 1986 and the Patient Protection and Affordable Care Act to extend, expand, and improve the qualifying therapeutic discovery project program.

IN THE SENATE OF THE UNITED STATES

MAY 23, 2012

Mr. MENENDEZ introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 and the Patient Protection and Affordable Care Act to extend, expand, and improve the qualifying therapeutic discovery project program.

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 AND EXPANSION OF QUALIFYING**
4 **THERAPEUTIC DISCOVERY PROJECT PRO-**
5 **GRAM.**

6 (a) EXTENSION.—

7 (1) TAX CREDIT.—Section 48D(b)(5) of the In-
8 ternal Revenue Code of 1986 is amended by striking

1 “beginning in 2009 or 2010” and inserting “begin-
 2 ning in 2009, 2010, 2011, or 2012”.

3 (2) GRANTS.—

4 (A) IN GENERAL.—Section 9023(e) of the
 5 Patient Protection and Affordable Care Act is
 6 amended by striking “beginning in 2009 or
 7 2010” and inserting “beginning in 2009, 2010,
 8 2011, or 2012”.

9 (B) APPLICATION DEADLINE.—Paragraph
 10 (11) of section 9023(e) of such Act is amended
 11 by striking “2013” and inserting “2014”.

12 (C) CONFORMING AMENDMENT.—Subpara-
 13 graph (B) of section 9023(e)(2) of such Act is
 14 amended by striking “in 2010” each place it
 15 appears in the heading and the text and insert-
 16 ing “after 2009”.

17 (3) EFFECTIVE DATE.—The amendments made
 18 by this subsection shall apply to investments made
 19 after December 31, 2010.

20 (b) EXPANSION OF LIMITATION.—Section
 21 48D(d)(1)(B) is amended by striking “shall not exceed
 22 \$1,000,000,000 for the 2-year period beginning with
 23 2009” and inserting “shall not exceed \$2,000,000,000 for
 24 the 4-year period beginning with 2009”.

25 (c) TECHNICAL IMPROVEMENTS.—

1 (1) DEFINITION OF QUALIFYING PROJECTS.—

2 (A) Section 48D(c)(1)(B) of the Internal
3 Revenue Code of 1986 is amended by striking
4 “to diagnose diseases or conditions or to deter-
5 mine molecular factors” and inserting “to diag-
6 nose diseases or conditions by determining mo-
7 lecular factors”.

8 (B) Section 48D(c)(1)(C) of such Code is
9 amended to read as follows:

10 “(C) to develop a molecular technology to
11 further the delivery of therapeutics.”.

12 (2) EXTENSION OF TIME FOR REVIEW OF AP-
13 PPLICATIONS.—Section 48D(d)(2)(B) of the Internal
14 Revenue Code of 1986 is amended by striking “30
15 days” and inserting “90 days”.

16 (3) EXTENSION OF TIME FOR PAYMENT OF
17 GRANTS.—Section 9023(e)(3)(A) of the Patient Pro-
18 tection and Affordable Care Act is amended by
19 striking “30-day period” and inserting “90-day pe-
20 riod”.

21 (4) SELECTION CRITERIA.—Section
22 48D(d)(3)(A) of the Internal Revenue Code of 1986
23 is amended by striking “projects that show reason-
24 able potential” and inserting “projects that show
25 significant potential”.

1 (5) SENSE OF THE SENATE REGARDING STATE
 2 TAXATION OF GRANTS.—Section 9023(e) of the Pa-
 3 tient Protection and Affordable Care Act is amended
 4 by adding at the end the following new paragraph:

5 “(13) SENSE OF THE SENATE REGARDING
 6 STATE TAXATION OF GRANTS.—It is the Sense of
 7 the Senate that any grant awarded under this sub-
 8 section should not be subject to tax under State
 9 laws.”.

10 (6) EFFECTIVE DATES.—

11 (A) DEFINITION OF QUALIFYING
 12 PROJECT.—The amendments made by para-
 13 graph (1) shall take effect on the date of the
 14 enactment of this Act.

15 (B) OTHER PROVISIONS.—The amend-
 16 ments made by paragraphs (2), (3), and (4)
 17 shall apply to applications submitted after the
 18 date of the enactment of this Act.

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