

114TH CONGRESS
1ST SESSION

H. R. 1536

To amend the Internal Revenue Code of 1986 to increase and make
permanent the research credit.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2015

Ms. BROWNLEY of California 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 increase
and make permanent the 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. SHORT TITLE.**

4 This Act may be cited as the “Innovation, Research,
5 and Manufacturing Act”.

6 **SEC. 2. RESEARCH CREDIT INCREASED AND MADE PERMA-**
7 **NENT.**

8 (a) CREDIT AMOUNT INCREASED BY 50 PERCENT.—
9 Paragraphs (1), (2), and (3) of section 41(a) of the Inter-

1 nal Revenue Code of 1986 are each amended by striking
2 “20 percent” and inserting “30 percent”.

3 (b) CREDIT MADE PERMANENT.—

4 (1) IN GENERAL.—Section 41 of such Code is
5 amended by striking subsection (h).

6 (2) CONFORMING AMENDMENTS.—

7 (A) Subsection (c) of section 41 of such
8 Code is amended by striking paragraph (4).

9 (B) Paragraph (1) of section 45C(b) of
10 such Code is amended by striking subparagraph
11 (D).

12 (c) CREDIT ALLOWED AGAINST PAYROLL TAXES FOR
13 SMALL EMPLOYERS.—Section 41 of such Code, as amend-
14 ed by subsection (b), is amended by adding at the end
15 the following new subsection:

16 “(h) CREDIT ALLOWED AGAINST PAYROLL TAXES
17 FOR SMALL EMPLOYERS.—

18 “(1) IN GENERAL.—In the case of an eligible
19 small employer, so much of the credit determined
20 under subsection (a) for the taxable year (deter-
21 mined without regard to this subsection) as does not
22 exceed the payroll taxes paid by such employer for
23 periods during such taxable year shall be treated for
24 purposes of this title as a credit allowed under sub-
25 part C.

1 “(2) COORDINATION WITH RESEARCH CRED-
2 IT.—The amount determined under subsection (a)
3 for any taxable year shall be reduced by the amount
4 treated under paragraph (1) as a credit allowed
5 under subpart C.

6 “(3) ELIGIBLE SMALL EMPLOYER.—For pur-
7 poses of this subsection, the term ‘eligible small em-
8 ployer’ means a small business concern within the
9 meaning of section 3 of the Small Business Act.

10 “(4) PAYROLL TAXES.—For purposes of this
11 subsection, the term ‘payroll taxes’ means—

12 “(A) any tax imposed under section 3111
13 or 3221(a),

14 “(B) so much of any tax imposed under
15 section 3211(a) as relates to the rates of tax
16 under subsections (a) and (b) of section 3111,
17 and

18 “(C) 50 percent of any tax imposed under
19 section 1401.”.

20 (d) EFFECTIVE DATES.—

21 (1) IN GENERAL.—Except as provided in para-
22 graph (2), the amendments made by this section
23 shall apply to taxable years beginning after Decem-
24 ber 31, 2014.

1 (2) EXTENSION OF CREDIT.—The amendments
2 made by subsection (b) shall apply to amounts paid
3 or incurred after December 31, 2014.

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