

114TH CONGRESS
2D SESSION

H. R. 5366

To amend the Internal Revenue Code of 1986 to exclude from gross income for seven years amounts earned from the sale of drugs that demonstrate breakthrough therapies for treating Alzheimer’s disease.

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 2016

Mr. MURPHY of Florida (for himself and Mr. FITZPATRICK) 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 exclude from gross income for seven years amounts earned from the sale of drugs that demonstrate breakthrough therapies for treating Alzheimer’s disease.

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 “Alzheimer’s Break-
5 through Sunshine Act”.

1 **SEC. 2. EXCLUSION OF AMOUNTS RECEIVED IN SALES OF**
2 **BREAKTHROUGH THERAPY DRUGS TO TREAT**
3 **ALZHEIMER’S DISEASE.**

4 (a) IN GENERAL.—Part III of subchapter B of chap-
5 ter 1 of the Internal Revenue Code of 1986 is amended
6 by inserting before section 140 the following new section:

7 **“SEC. 139F. BREAKTHROUGH THERAPY DRUGS TO TREAT**
8 **ALZHEIMER’S DISEASE.**

9 “(a) IN GENERAL.—Gross income does not include
10 amounts received from the qualified sale of an Alzheimer’s
11 drug.

12 “(b) LIMITATION.—Subsection (a) shall not apply
13 after the end of the sixth taxable year beginning after the
14 taxable year within which the Alzheimer’s drug is first ap-
15 proved by the Food and Drug Administration.

16 “(c) DEFINITIONS.—For purposes of this section—

17 “(1) ALZHEIMER’S DISEASE.—The term ‘Alz-
18 heimer’s disease’ means Alzheimer’s disease and re-
19 lated dementias.

20 “(2) ALZHEIMER’S DRUG.—The term ‘Alz-
21 heimer’s drug’ means a drug approved or licensed
22 under section 505 of the Federal Food, Drug, and
23 Cosmetic Act or section 351 of the Public Health
24 Service Act as a disease-modifying treatment for
25 Alzheimer’s disease and that has been designated as

1 a breakthrough therapy under section 506(a) of the
2 Federal Food, Drug, and Cosmetic Act.

3 “(3) QUALIFIED SALE.—The term ‘qualified
4 sale’ means the sale (through an arm’s length trans-
5 action) by the holder of the approved application for
6 an Alzheimer’s drug.

7 “(d) TERMINATION.—Subsection (a) shall not apply
8 with respect to any Alzheimer’s drug that is first approved
9 by the Food and Drug Administration after the date which
10 is 10 years after the date of the enactment of this sec-
11 tion.”.

12 (b) CONFORMING AMENDMENT.—The table of sec-
13 tions for part III of subchapter B of chapter 1 of such
14 Code is amended by inserting before the item relating to
15 section 140 the following new item:

“Sec. 139F. Breakthrough therapy drugs to treat Alzheimer’s disease.”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this Act shall apply to taxable years ending after the date
18 of the enactment of this Act.

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