

105TH CONGRESS
1ST SESSION

H. R. 947

To amend the Internal Revenue Code of 1986 to permanently extend the research credit and to allow greater opportunity to elect the alternative incremental credit.

IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 1997

Mrs. JOHNSON of Connecticut (for herself, Mr. MATSUI, Mr. SAWYER, Mr. HOUGHTON, Mr. NEAL of Massachusetts, Ms. DUNN, Mr. CAMP, Mr. SAM JOHNSON of Texas, Mrs. KENNELLY of Connecticut, Mr. ENGLISH of Pennsylvania, Ms. MOLINARI, Mr. HERGER, Mr. WELLER, Mr. LEVIN, Mr. PORTMAN, Mr. WATKINS, Mr. OXLEY, Mr. ROHRABACHER, Mr. CAMPBELL, Mr. GEJDENSON, Mr. NEY, Mrs. SMITH of Washington, Ms. ESHOO, Mr. FILNER, Mr. BOEHLERT, Mr. DREIER, Mr. BLUMENAUER, Mr. KLUG, Mr. GILLMOR, Mr. FROST, Ms. HOOLEY of Oregon, Mr. PRICE of North Carolina, Mr. KENNEDY of Massachusetts, Mr. SKAGGS, Mr. EVANS, Ms. FURSE, Mr. CANNON, Ms. DELAURO, Mr. ROGAN, Mr. PASCRELL, Mr. FARR of California, and Mr. COOK) 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 permanently extend the research credit and to allow greater opportunity to elect the alternative incremental 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. MODIFICATIONS TO RESEARCH CREDIT.**

4 (a) CREDIT MADE PERMANENT.—

1 (1) IN GENERAL.—Section 41 of the Internal
2 Revenue Code of 1986 (relating to credit for increas-
3 ing research activities) is amended by striking sub-
4 section (h).

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

8 (b) OPPORTUNITY TO ELECT ALTERNATIVE INCRE-
9 MENTAL CREDIT.—Subparagraph (B) of section 41(c)(4)
10 of the Internal Revenue Code of 1986 (relating to election)
11 is amended to read as follows:

12 “(B) ELECTION.—An election under this
13 paragraph shall apply to the taxable year for
14 which made and all succeeding taxable years
15 unless revoked with the consent of the Sec-
16 retary.”

17 (c) EFFECTIVE DATES.—

18 (1) EXTENSION.—The amendments made by
19 subsection (a) shall apply to amounts paid or in-
20 curred after May 31, 1997.

21 (2) ELECTION.—The amendment made by sub-
22 section (b) shall apply to taxable years beginning
23 after June 30, 1996.

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