

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3444

To amend the Internal Revenue Code of 1986 to provide credits against income tax for qualified stem cell research, the storage of qualified stem cells, and the donation of umbilical cord blood.

---

## IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2005

Mr. PAUL 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 provide credits against income tax for qualified stem cell research, the storage of qualified stem cells, and the donation of umbilical cord blood.

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 “Cures Can Be Found  
5       Act of 2005”.

6       **SEC. 2. QUALIFIED STEM CELL CREDITS.**

7       (a) **PERSONAL CREDIT FOR QUALIFIED STEM CELL**  
8       **RESEARCH, STORAGE, AND DONATION.**—Subpart A of

1 part IV of subchapter A of chapter 1 of the Internal Rev-  
2 enue Code of 1986 (relating to nonrefundable personal  
3 credits) is amended by inserting after section 25B the fol-  
4 lowing new section:

5 **“SEC. 25C. QUALIFIED STEM CELL RESEARCH, STORAGE,**  
6 **AND DONATION CREDIT.**

7 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
8 lowed as a credit against the tax imposed by this chap-  
9 ter—

10 “(1) an amount equal to the qualified stem cell  
11 research and storage contribution paid by the tax-  
12 payer during a taxable year, and

13 “(2) \$2,000 for each qualified umbilical cord  
14 blood donation made by the taxpayer during a tax-  
15 able year.

16 “(b) QUALIFIED STEM CELL RESEARCH AND STOR-  
17 AGE CONTRIBUTION.—For purposes of this section—

18 “(1) IN GENERAL.—The term ‘qualified stem  
19 cell research and storage contribution’ means the  
20 amounts donated by the taxpayer to an eligible facil-  
21 ity for the purpose of promoting qualified stem cell  
22 research or the storage of qualified stem cells.

23 “(2) QUALIFIED STEM CELL.—For purposes of  
24 this section, the term ‘qualified stem cell’ means a  
25 human stem cell obtained from a human placenta,

1 umbilical cord blood, an organ or tissue of a living  
2 or deceased human being who has been born, or an  
3 organ or tissue of unborn human offspring who died  
4 of natural causes (such as spontaneous abortion).

5 “(3) ELIGIBLE FACILITY.—The term ‘eligible  
6 facility’ means a research institution or storage facil-  
7 ity that does not engage in research relating to stem  
8 cells derived from human embryos and does not  
9 store stem cells derived from human embryos.

10 “(c) QUALIFIED UMBILICAL CORD BLOOD DONA-  
11 TION.—For purposes of this section, the term ‘qualified  
12 umbilical cord blood donation’ means the donation by the  
13 taxpayer, on the occasion of the birth of a child of the  
14 taxpayer, of—

15 “(1) the neonatal blood remaining in the pla-  
16 centa and umbilical cord after separation of the  
17 mother from the newborn baby, or

18 “(2) any other part of the umbilical cord.

19 “(d) FILING REQUIREMENTS.—

20 “(1) MARRIED INDIVIDUALS.—If the taxpayer  
21 is married at the close of the taxable year, the credit  
22 shall be allowed under subsection (a)(2) only if—

23 “(A) the taxpayer and his spouse file a  
24 joint return for the taxable year, or

1           “(B) the taxpayer is the mother of the  
2           child referred to in subsection (c).

3           “(2) INDIVIDUALS WHO ARE NOT MARRIED.—If  
4           the taxpayer is not married at the close of the tax-  
5           able year, the credit shall be allowed under sub-  
6           section (a) only if the taxpayer is the mother of the  
7           child referred to in subsection (c).

8           “(3) MARITAL STATUS.—An individual legally  
9           separated from his spouse under a decree of divorce  
10          or of separate maintenance shall not be considered  
11          as married.”.

12          (b) BUSINESS RELATED CREDIT FOR QUALIFIED  
13 RESEARCH AND STORAGE.—Subpart D of part IV of sub-  
14 chapter 1 of such Code is amended by inserting after sec-  
15 tion 45I the following new section:

16 **“SEC. 45J. QUALIFIED STEM CELL RESEARCH AND STOR-**  
17 **AGE CREDITS.**

18          “(a) GENERAL RULE.—For purposes of section 38—

19               “(1) QUALIFIED STEM CELL RESEARCH CRED-  
20               IT.—The qualified stem cell research credit deter-  
21               mined under this paragraph for any taxable year is  
22               equal to 100 percent of the expenses paid or in-  
23               curred by the taxpayer during the taxable year that  
24               are directly related to qualified stem cell research.

1           “(2) QUALIFIED STEM CELL STORAGE CRED-  
2           IT.—The qualified stem cell storage credit deter-  
3           mined under this paragraph for any taxable year is  
4           equal to—

5                   “(A) 50 percent of the expenses paid or in-  
6                   curred by the taxpayer during the taxable year  
7                   to establish a storage facility for qualified stem  
8                   cells, and

9                   “(B) 20 percent of the expenses paid or in-  
10                  curred by the taxpayer during the taxable year  
11                  to maintain the storage facility described in  
12                  subparagraph (A).

13           “(b) LIMITATION.—With respect to a qualified stem  
14           cell storage facility for which an amount determined under  
15           subparagraph (A) of subsection (a)(2) has been allowed  
16           as a credit in a taxable year, the amount determined under  
17           such subparagraph with respect to such storage facility  
18           in a subsequent taxable year shall be zero.

19           “(c) QUALIFIED STEM CELL.—For purposes of this  
20           section, the term ‘qualified stem cell’ means a human stem  
21           cell obtained from a human placenta, umbilical cord blood,  
22           an organ or tissue of a living or deceased human being  
23           who has been born, or an organ or tissue of unborn human  
24           offspring who died of natural causes (such as spontaneous  
25           abortion).”.

1 (c) CONFORMING AMENDMENTS.—

2 (1) Section 38(b) is amended by striking “plus”  
3 at the end of paragraph (18), by striking the period  
4 at the end of paragraph (19) and inserting “, plus”,  
5 and by adding at the end the following:

6 “(20) the qualified stem cell research and stor-  
7 age credits determined under section 45J(a).”.

8 (2) The table of sections for subpart A of part  
9 IV of subchapter A of chapter 1 of such Code is  
10 amended by inserting after the item relating to sec-  
11 tion 25B the following new item:

“Sec. 25C. Qualified stem cell research, storage, and donation credit.”.

12 (3) The table of sections for subpart D of part  
13 IV of subchapter A of chapter 1 of such Code is  
14 amended by inserting after the item relating to sec-  
15 tion 25B the following new item:

“Sec. 45J. Qualified stem cell research and storage credits.”.

16 (d) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to taxable years beginning after  
18 December 31, 2005.

○