

112TH CONGRESS
1ST SESSION

H. R. 132

To amend the Internal Revenue Code of 1986 to increase the credit for research expenses for 2011 and 2012 and to allow the credit to be assigned.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 2011

Mr. HOLT (for himself and Mr. KIND) 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 the credit for research expenses for 2011 and 2012 and to allow the credit to be assigned.

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 “Create Jobs by Ex-
5 panding the R&D Tax Credit Act of 2011”.

6 **SEC. 2. INCREASE IN RESEARCH EXPENSES TAKEN INTO**
7 **ACCOUNT FOR THE RESEARCH CREDIT.**

8 (a) IN GENERAL.—Section 41 of the Internal Rev-
9 enue Code of 1986 is amended by redesignating subsection

1 (h) as subsection (i) and by inserting after subsection (g)
2 the following new subsection:

3 “(h) TEMPORARY BONUS FOR QUALIFYING RE-
4 SEARCH EXPENSES.—In the case of any taxable year be-
5 ginning in 2011 or 2012—

6 “(1) subsection (a)(1) shall be applied by sub-
7 stituting ‘30 percent’ for ‘20 percent’,

8 “(2) subsection (c)(5)(A) shall be applied by
9 substituting ‘20 percent’ for ‘14 percent’, and

10 “(3) subsection (c)(5)(B)(ii) shall be applied by
11 substituting ‘12 percent’ for ‘6 percent’.”.

12 (b) EXTENSION OF CREDIT.—Subparagraph (B) of
13 section 41(i)(1) of such Code, as redesignated by sub-
14 section (a), is amended by striking “December 31, 2011”
15 and inserting “December 31, 2012”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2010.

19 **SEC. 3. TRANSFERABILITY OF RESEARCH CREDIT.**

20 (a) IN GENERAL.—Section 41 of the Internal Rev-
21 enue Code of 1986, as amended by section 2, is amended
22 by redesignating subsection (i) as subsection (j) and by
23 inserting after subsection (h) the following new subsection:

24 “(i) CREDIT MAY BE ASSIGNED.—

1 “(1) IN GENERAL.—If, for any taxable year be-
2 ginning in 2011 or 2012, a qualified taxpayer elects
3 the application of this subsection for such taxable
4 year, the amount of credit determined under this
5 section for such year which would (but for this sub-
6 section) be allowable to the qualified taxpayer shall
7 be allowable to the person designated by the quali-
8 fied taxpayer. Such amount shall be determined by
9 applying this section separately from section 38 for
10 such year. The person so designated shall be treated
11 as the taxpayer with respect to this section (other
12 than this subsection) for purposes of this title (other
13 than this paragraph).

14 “(2) TREATMENT OF AMOUNTS PAID FOR AS-
15 SIGNMENT.—If any amount is paid to the person
16 who assigns the credit determined under this sec-
17 tion, no portion of such amount shall be includible
18 in such person’s gross income.

19 “(3) QUALIFIED TAXPAYER.—The term ‘quali-
20 fied taxpayer’ means, with respect to any taxable
21 year, any small business concern (as defined in sec-
22 tion 3 of the Small Business Act) if such concern
23 employs an average of fewer than 500 employees on
24 business days during such year.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2010.

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