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118TH CONGRESS
1ST SESSION

# H. R. 5207

To amend the Internal Revenue Code of 1986 to add a new medical research component to the credit for increasing research activities.

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IN THE HOUSE OF REPRESENTATIVES

AUGUST 15, 2023

Mr. BUCHANAN (for himself, Mr. FITZPATRICK, and Mr. KELLY of Pennsylvania) introduced the following bill; which was referred to the Committee on Ways and Means

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# A BILL

To amend the Internal Revenue Code of 1986 to add a new medical research component to the credit for increasing research activities.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. NEW MEDICAL RESEARCH EXPENDITURE COMPONENT OF CREDIT FOR INCREASING RESEARCH ACTIVITIES.**

(a) IN GENERAL.—Section 41(a) of the Internal Revenue Code of 1986 is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding at the end the following new paragraph:

"(4) 14 percent of specified medical research expenditures.".

(b) SPECIFIED MEDICAL RESEARCH EXPENDITURES.—Section 41(f) of such Code is amended by adding at the end the following new paragraph:

"(7) SPECIFIED MEDICAL RESEARCH EXPENDITURES.—

"(A) IN GENERAL.—The term 'specified medical research expenditures' means amounts paid or incurred for qualified research with respect to any qualified countermeasure.

"(B) QUALIFIED COUNTERMEASURE.—The term 'qualified countermeasure' has the meaning given to such term in section 319F–1(a)(2) of the Public Health Service Act (42 U.S.C. 247d–6a(a)(2)).".

(c) DENIAL OF DOUBLE BENEFIT.—

(1) TAXABLE YEARS BEGINNING BEFORE JANUARY 1, 2024.—In the case of specified medical research expenditures (as defined in section 41(f)(7) of such Code (as added by this section)) paid or incurred in taxable years beginning before January 1, 2024—

(A) such expenditures shall be treated in the same manner as qualified research expenses and basic research expenses under section 280C(c)(1) of such Code (as in effect on the day before the enactment of the Tax Cuts and Jobs Act), and

(B) the amount determined under section 280C(c)(2)(A) (as in effect on such day) for the taxable year shall be increased by the amount of credit determined for the taxable year under section 41(a)(4) (as added by this section).

(2) TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2023.—Section 280C(c)(1) of such Code is amended by striking "section 41(a)(1)" and inserting "paragraphs (1) and (4) of section 41(a)".

(d) CONFORMING AMENDMENT.—Section 41(f)(1) of such Code is amended by striking "and amounts paid or incurred to energy research consortiums" each place it appears and inserting ", amounts paid or incurred to energy research consortiums, and specified medical research expenditures".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

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