

**AMENDMENT TO H.R. 5116, AS REPORTED
OFFERED BY MRS. BACHMANN OF MINNESOTA**

Page 175, strike line 2 and all that follows through
page 195, line 11, and insert the following:

1 **SEC. 501. EXTENSION OF RESEARCH CREDIT; ALTERNATIVE**
2 **SIMPLIFIED RESEARCH CREDIT INCREASED**
3 **AND MADE PERMANENT.**

4 (a) EXTENSION OF CREDIT.—

5 (1) IN GENERAL.—Subparagraph (B) of section
6 41(h)(1) of the Internal Revenue Code of 1986 is
7 amended by striking “December 31, 2009” and in-
8 serting “December 31, 2019”.

9 (2) CONFORMING AMENDMENT.—Subparagraph
10 (D) of section 45C(b)(1) of such Code is amended
11 by striking “December 31, 2009” and inserting
12 “December 31, 2019”.

13 (3) EFFECTIVE DATE.—The amendments made
14 by this subsection shall apply to amounts paid or in-
15 curred after December 31, 2009.

16 (b) ALTERNATIVE SIMPLIFIED RESEARCH CREDIT
17 INCREASED AND MADE PERMANENT.—

18 (1) INCREASED CREDIT.—Subparagraph (A) of
19 section 41(c)(5) of such Code (relating to election of

1 alternative simplified credit) is amended by striking
2 “14 percent (12 percent in the case of taxable years
3 ending before January 1, 2009)” and inserting “20
4 percent”.

5 (2) CREDIT MADE PERMANENT.—

6 (A) IN GENERAL.—Subsection (h) of sec-
7 tion 41 of such Code is amended by redesignig-
8 nating the paragraph (2) relating to computa-
9 tion of taxable year in which credit terminates
10 as paragraph (4) and by inserting before such
11 paragraph the following new paragraph:

12 “(3) TERMINATION NOT TO APPLY TO ALTER-
13 NATIVE SIMPLIFIED CREDIT.—Paragraph (1) shall
14 not apply to the credit determined under subsection
15 (c)(5).”.

16 (B) CONFORMING AMENDMENT.—Para-
17 graph (4) of section 41(h) of such Code, as re-
18 designated by subparagraph (A), is amended to
19 read as follows:

20 “(4) COMPUTATION FOR TAXABLE YEAR IN
21 WHICH CREDIT TERMINATES.—In the case of any
22 taxable year with respect to which this section ap-
23 plies to a number of days which is less than the total
24 number of days in such taxable year, the amount de-
25 termined under subsection (c)(1)(B) with respect to

1 such taxable year shall be the amount which bears
2 the same ratio to such amount (determined without
3 regard to this paragraph) as the number of days in
4 such taxable year to which this section applies bears
5 to the total number of days in such taxable year.”.

6 (3) EFFECTIVE DATE.—The amendment made
7 by this subsection shall apply to taxable years end-
8 ing after December 31, 2008.

