

110TH CONGRESS
2D SESSION

H. R. 6611

To amend the Internal Revenue Code of 1986 to make the research credit permanent, increase expensing for small businesses, reduce corporate tax rates, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2008

Mr. CARNEY (for himself and Mr. GERLACH) 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 make the research credit permanent, increase expensing for small businesses, reduce corporate tax rates, and for other purposes.

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 “Strengthen American
5 Manufacturers Act of 2008”.

1 **SEC. 2. RESEARCH CREDIT MADE PERMANENT.**

2 (a) IN GENERAL.—Section 41 of the Internal Rev-
3 enue Code of 1986 (relating to credit for increasing re-
4 search activities) is amended by striking subsection (h).

5 (b) CONFORMING AMENDMENT.—Paragraph (1) of
6 section 45C(b) of such Code is amended by striking sub-
7 paragraph (D).

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to amounts paid or incurred after
10 December 31, 2007.

11 **SEC. 3. INCREASE IN RATE OF ALTERNATIVE SIMPLIFIED**
12 **CREDIT.**

13 (a) IN GENERAL.—Subparagraph (A) of section
14 41(c)(5) of the Internal Revenue Code of 1986 (relating
15 to election of alternative simplified credit) is amended by
16 striking “12 percent” and inserting “20 percent”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to taxable years beginning after
19 December 31, 2007.

20 **SEC. 4. REPEAL THE ALTERNATIVE INCREMENTAL CREDIT.**

21 (a) IN GENERAL.—Section 41(c) of the Internal Rev-
22 enue Code of 1986, as amended by section 3, is amended
23 by striking paragraph (4) and by redesignating para-
24 graphs (5), (6), and (7) as paragraphs (4), (5), and (6),
25 respectively.

1 (b) CONFORMING AMENDMENT.—Section
 2 41(c)(4)(C) of such Code, as amended by subsection (a),
 3 is amended by striking the last sentence.

4 (c) EFFECTIVE DATE.—The amendments made by
 5 this section shall apply to taxable years beginning after
 6 December 31, 2007.

7 **SEC. 5. INCREASED SECTION 179 EXPENSING MADE PERMA-**
 8 **NENT.**

9 (a) DOLLAR LIMITATION.—Paragraph (1) of section
 10 179(b) of the Internal Revenue Code of 1986 is amended
 11 by striking “\$25,000 (\$125,000 in the case of taxable
 12 years beginning after 2006 and before 2011)” and insert-
 13 ing “\$250,000”.

14 (b) PHASEOUT THRESHOLD.—Paragraph (2) of sec-
 15 tion 179(b) of such Code is amended by striking
 16 “\$200,000 (\$500,000 in the case of taxable years begin-
 17 ning after 2006 and before 2011)” and inserting
 18 “\$800,000”.

19 (c) CONFORMING AMENDMENTS.—

20 (1) Subparagraph (A) of section 179(b)(5) of
 21 such Code is amended—

22 (A) by striking “and before 2011, the
 23 \$125,000 and \$500,000 amounts” and insert-
 24 ing “, the \$250,000 and \$800,000 amounts”,
 25 and

1 (B) by striking “calendar year 2006” and
2 inserting “calendar year 2007”.

3 (2) Section 179(b) of such Code is amended by
4 striking paragraph (7).

5 (3) Paragraph (2) of section 179(c) of such
6 Code is amended by striking “and before 2011”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to property placed in service after
9 December 31, 2008.

10 **SEC. 6. REDUCTION IN TOP CORPORATE MARGINAL RATE.**

11 (a) IN GENERAL.—Paragraph (1) of section 11(b) of
12 the Internal Revenue Code of 1986 (relating to amount
13 of tax) is amended—

14 (1) by inserting “and” at the end of subpara-
15 graph (B),

16 (2) by striking subparagraphs (C) and (D) and
17 inserting the following:

18 “(C) 30 percent of so much of the taxable
19 income as exceeds \$75,000.”, and

20 (3) by striking “\$11,750” and all that follows
21 and inserting “\$9,125.”

22 (b) PERSONAL SERVICE CORPORATIONS.—Para-
23 graph (2) of section 11(b) of such Code is amended by
24 striking “35 percent” and inserting “30 percent”.

1 (c) CONFORMING AMENDMENTS.—Paragraphs (1)
2 and (2) of section 1445(e) of such Code are each amended
3 by striking “35 percent” and inserting “30 percent”.

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2008, except that the amendments made
7 by subsection (c) shall take effect on January 1, 2009.

8 **SEC. 7. STUDIES.**

9 (a) WORKPLACE EMPLOYEE HEALTH CARE FACILI-
10 TIES.—The Comptroller General of the United States
11 shall conduct a study of the impact of workplace employee
12 health care facilities on employee health and productivity.
13 The results of such study shall be submitted to the Con-
14 gress within 1 year after the date of the enactment of this
15 Act.

16 (b) RETENTION OF STUDENTS IN RURAL COMMU-
17 NITIES.—The Comptroller General of the United States
18 shall conduct a study of the best practices for encouraging
19 college graduates from rural areas to return to those areas
20 after graduation. The results of such study shall be sub-
21 mitted to the Congress within 1 year after the date of the
22 enactment of this Act.

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