

111TH CONGRESS
1ST SESSION

H. R. 3443

To amend the Internal Revenue Code of 1986 to modify the private activity bond rules to except certain uses of intellectual property from the definition of private business use.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2009

Mr. CLEAVER 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 modify the private activity bond rules to except certain uses of intellectual property from the definition of private business use.

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. CERTAIN SCIENTIFIC USES EXCEPTED FROM**
4 **PRIVATE BUSINESS USE FOR PRIVATE ACTIV-**
5 **ITY BONDS.**

6 (a) IN GENERAL.—Paragraph (6) of section 141(b)
7 of the Internal Revenue Code of 1986 (defining the term

1 “private business use”) is amended by adding the fol-
2 lowing new subparagraph:

3 “(C) CERTAIN SCIENTIFIC RESEARCH.—

4 “(i) EXCEPTION.—For purposes of
5 this subsection, the term ‘private business
6 use’ shall not include the receipt by a per-
7 son (other than a natural person) of a
8 right to intellectual property created by
9 scientific (within the meaning of section
10 501(c)(3)) research conducted by a govern-
11 mental unit or 501(c)(3) organization, if
12 one or more governmental units or
13 501(c)(3) organizations control (as defined
14 in section 512(b)(13)(D)) such person.

15 “(ii) EFFECT ON OWNERSHIP RE-
16 QUIREMENT.—The receipt of a right de-
17 scribed in clause (i) by a person described
18 therein shall not cause a bond to fail to
19 satisfy section 145(a)(1).”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to any receipt of intellectual prop-
22 erty after the date of the enactment of this Act.

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