

111TH CONGRESS  
2D SESSION

# H. R. 4770

To amend the Internal Revenue Code of 1986 to increase the credit for research expenses for 2010 and 2011 and to allow the credit to be assigned.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 2010

Mr. HOLT (for himself, Mr. KIND, Ms. SCHWARTZ, and Mr. FILNER) 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 increase the credit for research expenses for 2010 and 2011 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 2010”.

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 2010 or 2011—

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 sub-  
9 stituting ‘20 percent’ for ‘14 percent’, and

10 “(3) subsection (c)(5)(B)(ii) shall be applied  
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, 2009”  
15 and inserting “December 31, 2011”.

16 (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to taxable years beginning after  
18 December 31, 2009.

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 2010 or 2011, 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, 2009.

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