So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to recommit was laid on the table.

AMERICAN RESEARCH AND COMPETITIVENESS ACT OF 2015

Mr. RYAN of Wisconsin. Mr. Speaker, pursuant to House Resolution 273, I call up the bill (H.R. 880) to amend the Internal Revenue Code of 1986 to simplify and make permanent the research credit, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. COLE of Virginia) announced the result of the vote was agreed to.

H.R. 880

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘American Research and Competitiveness Act of 2015’.

AMERICAN RESEARCH AND COMPETITIVENESS ACT OF 2015

(a) IN GENERAL.—Section 36B(a) of the Internal Revenue Code of 1986 is amended to read as follows:

'(a) In general.—For purposes of section 38, the research credit determined under this section for the taxable year shall be equal to the amount equal to the sum of—

'(1) 20 percent of so much of the qualified research expenses for the taxable year as exceeds 50 percent of the average qualified research expenses for the 3 taxable years preceding the taxable year for which the credit is being determined, plus

'(2) 20 percent of so much of the basic research payments for the taxable year as exceed 50 percent of the average basic research payments for the 3 taxable years preceding the taxable year for which the credit is being determined, plus


(b) REPEAL OF TERMINATION.—Section 41 of such Code is amended by striking subsection (b).

(c) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX IN CASE OF ELIGIBLE SMALL BUSINESSES.—Section 56(a) of such Code is amended by redesignating those clauses (ii) through (ix) as clauses (iii) through (x), respectively, and by inserting after clause (i) the following new clause:

'(ii) the credit determined under section 41 for the taxable year with respect to an eligible small business (as defined in paragraph (5)(C), after application of rules similar to the rules of paragraph (5)(D)),

(d) CONFORMING AMENDMENTS.—

(1) Section 41(c) of such Code is amended to read as follows:

'(c) CONFORMING AMENDMENTS.—

(ii) the credit determined under section 41 for the taxable year with respect to an eligible small business (as defined in paragraph (5)(C), after application of rules similar to the rules of paragraph (5)(D))

(2) Section 41(e) of such Code is amended—

(A) by striking all that precedes paragraph (b) and inserting the following:

'(b) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX IN CASE OF ELIGIBLE SMALL BUSINESSES.—Section 56(a) of such Code is amended by redesignating those clauses (ii) through (ix) as clauses (iii) through (x), respectively, and by inserting after clause (i) the following new clause:

(iv) the credit determined under section 41 for the taxable year with respect to an eligible small business (as defined in paragraph (5)(C), after application of rules similar to the rules of paragraph (5)(D))

(3) Section 41(f) of such Code is amended—

(A) in general.—For purposes of section 38, the research credit determined under this section for the taxable year shall be equal to the amount determined by the following:

'(1) 20 percent of so much of the qualified research expenses for the taxable year as exceeds 50 percent of the average qualified research expenses for the 3 taxable years preceding the taxable year for which the credit is being determined, plus

'(2) 20 percent of so much of the basic research payments for the taxable year as exceed 50 percent of the average basic research payments for the 3 taxable years preceding the taxable year for which the credit is being determined, plus

'}
I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 880, the American Research and Competitiveness Act of 2015.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is really simple. We have had the research and development tax credit in law since 1981. It has periodic expirations in it. Every time the law expires, we renew the law. Why? Because we think this is a good policy, and on a bipartisan basis our votes have always reflected that.

We believe that since we renew this specifically 1 year at a time, it does not do very well in giving businesses the time to plan and the ability to consider long-term investments. They need certainty. One of the problems plaguing this economy is the lack of certainty. So what this bill does is it makes it permanent. This is something that we think ought to be a permanent feature of our Tax Code.

Mr. Speaker, one of the arguments you are going to hear is, well, this has to be paid for. I want people to understand what that means when people say that. They are saying that to keep taxes where they are, we need to go raise them on other people. To put it another way, the minority is telling us they want a permanent extension of tax credits from the stimulus bill which was temporary, but they are saying if we make permanent provisions that have bipartisan support that are extended on an annual basis, if we make them permanent, all of a sudden we have to go raise taxes on some other hard-working Americans just to keep these taxes in place.

I think that is incorrect. We don’t think it jibes with reality. More importantly, we think it is very important, to help unleash job creation, to keep research and development jobs in America, that we make the research and development tax credit permanent.

PERMISSION TO POSTPONE PROCEEDINGS ON MOTION TO RECOMMIT

Mr. RYAN of Wisconsin. Mr. Speaker, I ask unanimous consent that the question of adopting a motion to recommit on H.R. 880 may be subject to postponement as though under clause 8 of rule XX.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. RYAN of Wisconsin. Mr. Speaker, at this time, I ask unanimous consent that the gentleman from Texas (Mr. BRADY), the author of H.R. 880 and a Ways and Means Committee member, manage and control the remaining time for this request of the Chair.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?
What is particularly glaring is that we can’t even pass a long-term transportation bill, which is, by far, more important to our national security, our economic growth, and our competitiveness. The reason we can’t pass it is because the majority is unable to find a way to pay for it.

Yet here we are taking up a bill that costs $181 billion. Add that to the other unpaid-for tax cut bills that this body has already passed this year, and we will have added $586 billion to the deficit. That is almost half a trillion dollars. That is over half a trillion dollars.

And what do we have to show for it? The President has already said that he is going to veto this bill, so what is the point? Why are we wasting the time and expense of debating this? It is going to be vetoed anyway.

What we should be doing is working together to pass legislation that is vital to every congressional district’s long-term transportation bill and comprehensive tax reform.

Mr. Speaker, we stand ready to work with the majority on these important things. Today’s bill just takes us further away from that goal. Therefore, I ask that we vote “no” on this bill and make sure we vote for America.

I reserve the balance of my time.

Mr. BRADY of Texas. Mr. Speaker, I yield myself such time as I may consume.

When it comes to research and development initiatives, America is rapidly falling behind our global competitors. Unless the U.S. remains the world’s leading innovator, our economy will suffer while middle class families and talented college graduates will see jobs and opportunities lost to foreign countries. Making permanent the tax incentive for companies to invest in research and development right here in the United States will ensure lifesaving technologies, state-of-the-art computer systems, and breakthroughs in manufacturing products.

When America once led the world in R&D incentives, the U.S. has now dropped to—get this—27th among our global competitors. America’s share of global research and development, while it is still big, has dropped from 39 percent, before the turn of this new century, to 31 percent.

So look at China. By contrast, China’s R&D spending has increased fourfold. It is poised to surpass that of America by 2022.

Permanency provides certainty to U.S. innovators. It makes the Federal budget scorekeeping far more honest, and it removes the asterisk from this temporary provision so that pro-growth tax reform can advance.

This year, we have added a new provision that will allow eligible small businesses to count the credit against the AMT, the alternative minimum tax. This is an important provision to enable America’s newest innovators to develop cutting-edge, market-dominating technologies.

I am proud to have worked on this important tax incentive with my friend, Mr. THOMPSON of California. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. RANGEL), former chair of the committee and a strong proponent of responsible tax policy.

Mr. RANGEL. Mr. Speaker, I was listening to the eloquent words of my friend from Texas about the importance of research and development, and I can’t think of any member on our committee that could not agree with him.

While he was eloquently speaking about how important it was to our great Nation, I was even thinking about our trade bill if this is packaged in such a way that we would have our workforce with the backup of research and development, a trade bill that would include in it educational possibilities for the workforce, that would have infrastructure there and would have America knowing that we just weren’t talking about success of the corporations, but for success of America.

Also, the part that he mentioned—continuity—so that our businesses would know exactly what they could depend on. I just can’t, for the life of me, see how they will know which part of the Tax Code or which week that we intend to bring up knowing it is going to be vetoed, if really in our hearts what we want is continuity. There is only one way to get continuity, and that is to review the Tax Code to re-form the Tax Code.

If you take out all of the gems just to get a “no” vote against it politically, you are really harming bipartisanship. That is what we need; that is what the Tax Code needs; that is what our country needs, a Tax Code that eliminates all of the loopholes, and concentrate on those things our country needs.

Of course, if politics is more important than policy, if all we are trying to do is play “I gotcha,” if all we want to say is we love research and development, but we know darn well politically it is not in our parties’ interest, if we are going to say that we all want reform, but now that we have both Houses Republican—House and the Senate—but we dare not talk about tax reform, well, I don’t think we want to play this political game.

What we do want to do—and I want to agree with the majority—research and development is what keeps America competitive. It must not be played with. It should not be politicalized. It should be a part of the tax reform bill.

If you can’t do it, then you have control of the Finance Committee in the Senate and refuse to do it when you are in charge of the Ways and Means Committee and have a President that is calling out for overall comprehensive fairness and equity and tax reform, it is painful to see how the eloquence of love for this country can be distorted by having votes on legislation that we know is never to become law.

I say, as I take my seat, I am not giving up on tax reform. I hope that the Republicans come together and have a meaningful bill not for our committee, but for our conscience.

Mr. BRADY of Texas. Mr. Speaker, I yield myself 15 seconds.

The President has threatened to veto this bill. The question is clear: Why is the President standing for those who would ship jobs overseas? Why isn’t he standing with Republicans and Democrats in Congress in this House to keep those jobs in research here in America?

I yield 2 minutes to the gentleman from North Carolina (Mr. HOLDING), a new member of the Ways and Means Committee, who understands research and development in the Triangle of North Carolina.

Mr. HOLDING. Mr. Speaker, I want to thank Chairman BRADY for offering this important piece of legislation.

The research and development credit plays a crucial role in the continued economic growth of our Nation, spurring innovation and supporting high-skilled, high-paying jobs.

In and around my district, I have seen how important the R&D credit has been to our Nation’s innovative companies, like Biogen, Cisco, GSK, SAS, UTC, and Siemens, among a host of others. I urge my colleagues to support such companies and their employees and the families of those employees by making this important credit permanent.

Right now, Mr. Speaker, a growing number of foreign countries are increasing innovation and advancing manufacturing by providing generous and permanent R&D tax credits along with lower corporate tax rates.

In fact, according to an OECD study, the U.S. ranks 22nd in research incentives among industrialized countries. We owe our innovators better, and in order to remain a leader in the increasing global economy, we must continue to support and incentivize research and innovation here in the United States.
Passage of this bill will provide companies and researchers with the certainty and support they need to keep America and my district and North Carolina in the forefront of global innovation and send a strong message that we stand behind the groundbreaking research being conducted by our nation's innovators.

Mr. Speaker, I urge support for this bill.

Mr. THOMPSON of California. Mr. Speaker, I yield myself such time as I may consider appropriate.

I just want to point out that the President is standing with those of us who support the R&D credit, but he wants it done responsibly. He wants it paid for, and he wants it part of tax reform. Just like all of us, we support the R&D credit. We want it paid for, and we want it part of tax reform.

To suggest that voting against this is standing with China, I find somewhat ironic. An ironic statement made by my friend standing with China, I find somewhat telling. We want it part of tax reform. Just like all of us, we support the R&D credit. We want it paid for, and we want it part of tax reform.

Mr. DOGGETT. Mr. Speaker, there is one type of innovation in which these Republicans are truly unexcelled—there is no competition. And that is the innovation in names, in naming these bills.

They salute climate deniers and The Flat Earth Society by slashing funding for earth science that is strongly opposed by geophysicists and one academic after another. What do they call it? The "America COMPETES Act."

On this measure, its companion, they borrow almost $200 billion from anyone who will lend it to us to give mostly to the largest corporations, largely for doing research that they would be doing, even if they weren't rewarded. And that is the "American Reinvestment and Competitiveness Act." Now, that is true innovation. They don't need a credit; they ought to get a prize for being contritionists when it comes to labeling these measures.

This particular bill just digs us deeper and deeper into debt, while adding very little to our research capability. That is truly unfortunate, since America's future competitiveness is in jeopardy. And that is outlined this very day in 'Cancer Lies on Weak Foundation,' a New York Times' economic column.

As Eduardo Porter notes, "Investment in research and development has flattened over the last several years as a share of the economy ... other countries are now leaving the United States behind ... government budgets for basic research, the biggest source of financing for scientific inquiry ... fell in 2013 to substantially below its level 10 years earlier."

Indeed, the Republican budget makes significant cuts to research, including hundreds fewer research grants that the President sought at both the National Institutes of Health and the National Science Foundation. I think we need more than another Ice Bucket Challenge to fund research for cures for cancer and diabetes, ALS, AIDS, and the like. We need the resources to tackle problems that are touching every family in this country.

Unfortunately, this R&D credit that is being made permanent without reform has required American taxpayers to subsidize the development of electronic cigarettes and other products to avoid corporate income taxes instead of using those dollars to fight those dreaded diseases to which nicotine contributes.

Corporate research generally is focused more and more on the next quarter's reports to Wall Street to which excessive corporate compensation is tied, instead of focusing on basic research. Porter concludes in the same article that this particular bill is "unlikely to help much. And he notes the [American] Reinvestment and Competitiveness Research Service, an objective source, that this regularly renewed credit "delivered, at most, a modest stimulus to domestic business R&D investment from 2000-2010."

Mr. Speaker pro tempore. The time of the gentleman has expired.

Mr. DOGGETT. Mr. Speaker, I support a permanent research and development credit to incentivize more research. The question is: How do we pay for it, and how do we ensure that it actually encourages more jobs, leads to more research and more economic development, instead of just giving a reward to those who are already doing something in this area to advance their product?

Nothing, of course, prevents multinationals from taking the credit and then putting the patent or the copyright in some foreign tax haven and avoiding American income taxes, another reform that is necessary.

We should reject this proposal in favor of a strong research credit that actually incentivizes necessary research here in America and which is paid for, in part, by comprehensive reform of this very credit. Surely, we don't need any more research today to know that today's bills are the wrong way to go for America.

Mr. BRADY of Texas. Mr. Speaker, I am proud to yield 2 minutes to the gentleman from Minnesota (Mr. PAULSEN), one of our leaders of the Ways and Means Committee, who understands you can't keep making excuses about America's future competitiveness and development tax credit permanent will ensure that the United States remains competitive in the global marketplace. It has been around since 1981; it has been renewed 16 times; but why when you renew a credit for 1 year, for 2 years, or you make it retroactive, that doesn't work very well for some companies that are allocating their capital for 5 or 10 years on the horizon that want to invest in research and development.

In Minnesota, we are the home to 400 medical device companies. Research and development is their lifeblood, and these manufacturers use research and development to invent new devices, new techniques, new procedures. These companies are also a very essential component to our economy in Minnesota and also around the United States.

We should be making America the number one destination to create and grow a business. Making the research and development credit permanent will provide our nation's innovators that incentive and that certainty that they need to develop the next big idea and help America win the future.

Mr. THOMPSON of California. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. BLUMENAUER), a distinguished member of our Ways and Means Committee, from a district filled with innovators, all of whom would benefit from doing this policy the right way.

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman's courtesy.

I was listening to my dear friend, the gentleman from Texas, who is managing the bill for our Republican friends, and I was struck for a moment when he talked about the disadvantage vis-a-vis China, how—in a few years—we are going to slip behind China in R&D development.

He talked about the hundreds of thousands of jobs that could be made available if we were able to redouble our efforts in research and development and the concerns about the overvaluation of the United States dollar in the middle of the pack where it comes to research.

I was struck by those words. For a moment, I thought he was talking about the United States infrastructure because we don't have to wait for 3 or 4 or 5 years to slip behind China; we are already being overshadowed by their efforts. We are investing less than 2 percent of our gross domestic product in infrastructure; the Chinese are investing 8 percent.

The United States once had the finest infrastructure in the world—not anymore. Those international ratings that my good friend from Texas talked...
about are very much the case for our infrastructure. We have dropped from 1st to 5th to 16th to 27th. I want to know where the alarm for my Republican friends is about our falling behind while America falls apart.

We are going to pass before the year is out the research and development credit. I hope we do it the right way, but we will do it.

What we haven’t done in the 55 months since the Republicans took control of the House of Representatives is we have not had a single hearing on how we are going to finance our crumbling infrastructure—not one. In the meantime, we are told that this is off the table, that the gas tax is off the table. We are going to do some smoke and mirrors or something. We just passed the 33rd short-term extension of the surface transportation bill.

What country became great in having built its infrastructure 9 months at a time?

While my Republican friends refuse to even consider the gas tax that Ronald Reagan championed—in fact, urged and Congress more than doubled under his watch—in the last 6 months, we have had Georgia, Utah, South Dakota, Nebraska, Idaho, and Iowa all raise their gas taxes, hoping that the Federal Government will meet its obligations and be a partner in rebuilding and in renewing America.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. THOMPSON of California. I yield the gentleman an additional 30 seconds.

Mr. BLUMENAUER. Where is the sense of urgency for the cost to families who are having $300 a year or more in damage to their cars? The fact that we are not being able to move product because we are stuck in traffic? Then our ports, our airports, our rail—we just had an example of its instability—where is the urgency?

I would, respectfully, suggest that we reject this wrongheaded approach and deal with real tax reform and the R&D tax credit. But in the meantime, maybe the Ways and Means Committee could find a week that we could spend working together to rebuild and renew America.

Mr. BRADY of Texas. Mr. Speaker, I am proud to yield 2 minutes to the gentleman from Illinois (Mr. DOLD), a new member of the Ways and Means Committee who comes from a research-driven State.

Mr. DOLD. Mr. Speaker, I want to thank my good friend from Texas for his leadership.

Mr. Speaker, I want to just address my good friend from Oregon to say, as someone on this side of the aisle, I, too, sense an urgency on transportation and infrastructure. I know that we need to step up and do something about it so that we can be moving our goods and services around. I do look forward to our working on tax reform, but, today, we are talking about research and development.

As we talk about certainty, certainly we need certainty with regard to our transportation and infrastructure system, but we need certainty when it comes to innovation. Businesses all across our country, as they are looking to try to create that next new product, as they are looking to innovate, as they are looking to create that next new thing in order to improve our lives and to enhance our Nation, they need to have that certainty to be able to look around the corner.

We are moving forward on research and development a step at a time. We are reauthorizing it a year at a time. Sometimes we are doing it retroactively, which means that those businesses don’t have the ability to plan and oftentimes don’t. They are happy to take the tax relief, but they are not really willing to plan and invest in it, oftentimes for the next year. programs in which they are investing billions of dollars, creating thousands of jobs.

Innovation, Mr. Speaker, is something that we should all be united behind. We want to innovate here in the United States. We want to create things here in the United States. We do not want to have a research and development situation which really fosters innovation outside of the United States. Yes, we have slipped behind, and Republicans and Democrats all like want to make sure that the United States is leading the charge. We need to be globally competitive. We are not in a domestic economy—we are in a global economy. If we want to be globally competitive, we cannot be ranked 22nd when it comes to research incentives.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BRADY of Texas. I yield the gentleman an additional 30 seconds.

Mr. DOLD. Mr. Speaker, I come from a northern district in Illinois. We are the fourth-largest manufacturing district in the Nation. Yes, we rely on that infrastructure because we need to know how our raw materials come in, how our finished product goes out, and how we move people around. We also realize that those manufacturers rely on that research and development tax credit in order to innovate, in order to create that next new thing, that next new innovation. If we don’t do it in the United States, they will be doing it elsewhere.

Mr. Speaker, I just got back from Israel. One of the things that struck me as I swung by one of their companies is that they had a sign out front that read: “Where Innovation Never Stops.”

We either choose to innovate here, or they will do it elsewhere. This is a bipartisan initiative, and I ask my colleagues to support this initiative.
are going to say. Veterans, you shouldn’t get any services because we had to do this research and development tax credit, and we didn’t pay for it.

Perhaps you want to tell that to all of those who are looking for a cure for cancer or for the cure for diabetes. Guess what? We are spending about three times as much with this research and development tax credit—unpaid for—than what we pay for all of that medical research we do through the National Institutes of Health. This is not free.

Student loans. How many folks have to worry about paying for their student loans for their kids to go to college? Guess what? The cost of this bill is about what it would cost to continue the programs that we have in place for our kids who go on to college so we can keep the cost of student loans low. You want to eliminate that so people have to pay a lot more—market rate interest, no student loan relief? Guess what? That is what we would have to do.

There are consequences. If we are going to get away from deficit spending, you have got to pay for things. If you have it as a priority, then let’s pay for it, but don’t act like you can do these things for free. They cost money. All we are saying is let’s pay for what we all agree is important—a research and development tax credit for companies that will do that research here in America. Let’s not try to hoodwink the American public. This is not free. It is the right thing to do. Just about every American family would say, Guess what? Maybe I have to pay a few more dollars in taxes, but I am keeping that American company here, investing in innovation here, creating jobs in America.

Priorities. Let’s make the tough choices. Let’s vote against this and vote for a bill that actually pays for what we want to do with the research and development tax credit.

Mr. BRADY of Texas. Mr. Speaker, I am proud to yield 1 minute to the gentleman from California (Mr. McCARTHY), the minority leader of the United States House of Representatives.

Mr. McCARTHY. Mr. Speaker, I thank the gentleman for yielding, and I want to take a moment to thank the gentleman from Texas for his leadership.

Mr. Speaker, I have listened to a lot of speakers on this floor. What is the cost not to invest in the future? There are 4 out of 10 graduates out of college today who can’t find a job. How do you pay for that?

You look towards the future. I will tell you many in this country have followed the innovators in our history. Mr. Speaker, one happened to be Steven Jobs. Steven Jobs said that innovation distinguished between a leader and a follower.

That is true with people, and it is also true with countries. America leads because we take the principles of our past, and we apply them to a changing future. We are the pioneers who always look to the next frontier, ready to challenge what others believe is impossible. Innovation is key to our leadership, our economic prosperity in an increasingly competitive 21st century. What Washington needs to understand is that the greatest innovations don’t come from Washington—they come from the people.

It reminds us going on in the early 1900s in this country. Washington wanted to figure out the invention of flight, so the wisdom of government said, “Let’s just pay Samuel Langley to discover how to fly.” But we all knew what came true. We watched two brothers who owned a bicycle store take to the skies from a small field in Kitty Hawk, transforming what we know of today.

The R&D tax credit harnesses that American spirit. It makes space for the American people to lead us into the future. When Ronald Reagan first signed the R&D tax credit into law, he knew it would grow our economy and make America strong because it put our faith in the country’s greatest assets—its people and their ideas.

Mr. Speaker, today, we are voting to make this tax credit permanent. I think that is very good policy. I also think it shows what our values are. It shows that it is everyday heroes who can lead us into the future of tomorrow. So I urge my colleagues to vote for this bill, and I urge my colleagues to give the American people the tools to move America forward.

Mr. THOMPSON of California. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI), the Democratic leader.

Ms. PELOSI. I thank the gentleman for yielding. I thank Mr. THOMPSON and other members of the committee for bringing clarity to this debate today.

Mr. Speaker, Democrats have always believed that innovation is what keeps America number one. I think that that is a view that is shared by all of us in the Congress. Our commitment on our side of the aisle, I know, is to science and to research and development, which create jobs, launch entire new industries, and give the miraculous power to cure.

For Americans to continue to lead in the 21st century, for us to meet the challenges of our time, for us to secure a strong and sustainable future for America’s families and the next generation, we must commit to funding the engines of innovation.

When President Kennedy challenged Americans to reach for the Moon, he reminded us that America must lead in innovation:

“The vows of this Nation can only be fulfilled if we are first, and, therefore, we intend to be first. Our leadership in science and in industry, our hopes for peace and security, as well as to others, all require us to make this effort.”

However, according to the American Academy of Arts and Sciences, these days, the United States has dropped to 10th place in national R&D investment as a percentage of the GDP.

As their report makes clear:

Unleashing basic research becomes a higher government priority than it has been in recent decades, the potential for fundamental scientific breakthroughs and future technological advances will be severely constrained.

Instead of meeting this urgent need and challenge, Republicans are coming to the floor of this House today with not one but two bills that do violence to that aspiration.

First of all, we have the so-called Republican R&D bill, a completely unpaid-for, permanent, and deficit-exploiting tax extension. Democrats support the R&D tax credit, and we will be offering a motion to recommit for a 2-year extension to give Congress—Democrats and Republicans—to work together to pass comprehensive tax reform that closes loopholes and pays for making this tax credit permanent.

With this bill alone, Republicans will explode the deficit by $182 billion. This is just a part of a larger package of permanent, completely unpaid-for Republican tax measures this year that will add almost $600 billion to the deficit—over half a trillion dollars added to the deficit—including this bill, their bill to hand $299 billion to the 5,400 richest families in America, 5,400 families, and their estate tax bill would be getting the benefit of $269 billion paid for by the middle class in our country, depriving us of investments in our children’s future.

The fact is that House Republicans have spent this entire Congress blowing the largest deficit-for-tax giveaways overwhelmingly tilted toward wealthy special interests. My colleagues, hear this: it is worth noting that this bill on the floor has nothing to do with enterprising startups that are unable to claim the R&D tax credit. Some of you have said to me; Well, we have all these startups in my district. By and large, they cannot benefit from this bill the way it is written.

We would like to have written our motion to recommit to go further, to do that. But the Parliamentarians say, because you prevent it in your base bill, we can’t go further.

This is what is really stunning in the look of it all. On the same day as you are saying we are going to do a gotcha bill on R&D and cheaper, who support R&D not to vote for our approach, on the very same day—lest anybody think that this is an overwhelming interest in R&D on the Republican side of the aisle—Republicans are bringing to the floor a COMPETES Act. A complete everything to do with science and innovation in our country. It completely upsets our Innovation Agenda.
In the 110th Congress we put forth the Innovation Agenda, a bill developed in a totally nonpartisan way. Anna Eshoo, Zoe Lofgren, and George Miller took the lead going across the country, getting input, nonpartisan input, and endemic input (you number input, technology input, input into the Innovation Agenda). That Innovation Agenda really calls for making permanent and modernizing the R&D tax credit. We see the relationship between science, technology, innovation, and progress to keep America on the cutting edge of innovation, one with R&D tax credits, but not done this way as we do here.

This is a trap in order to keep us from investing in Innovation Agenda, and that was something that Bart Gordon, as chair of the Science and Technology Committee, fought for and achieved. ARPA-E, you know that, to name one thing. But instead, today, Republicans are bringing a bill that totally does violence to all this. I hope my colleagues on the other side that, as chair of the Science and Technology Committee, fought for and achieved ARPA-E, you know that, to name one, but not done this way as we do here.

The choice that our country has to make in the economy as we go forward is trickle-down economics versus middle-class economics. Trickle-down theories have not worked. They are what got us in trouble in 2008, and it is exactly what the Republicans are trying to take us back to. Today is one manifestation of that.

The Republican bill betrays everything important. ARPA-E, you know that, to name one. But Republicans are seeking to ransack our Nation’s investments in the future, our commitment to science, our commitment to our children’s education, our commitment to bigger paychecks, and our commitment to better infrastructure for our families. We need to come together in a bipartisan way, and that is very possible. We did it with the COMPETES Act before. To pay for R&D tax credit extension, we need to reject this Republican assault on ARPA-E, that will happen today. We need to invest in the future of innovation of our country, of hardworking American families. We need to reject failed trickle-down economic theories and accept that the success of our Nation depends on bigger paychecks for America’s working families.

R&D tax credits made permanent and modernized are a significant part of that, but they are not a part of it if they take us deeper into debt, precluding us from investing in the future. We need to invest in the future. We need to come together in a bipartisan way, and that is very possible. We did it with the COMPETES Act before.

I urge my colleagues to vote “no” on this fiscally irresponsible R&D bill, “no” on their destructive COMPETES Act, and “yes” on the proposal made by Congresswoman Eddie Bernice Johnson, who I thank for her great leadership for keeping America number one.

Mr. BRADY of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. JOHNSON, who I thank for her great leadership for keeping America number one).

Mr. ALLEN. I thank Mr. BRADY for yielding me this time.

Mr. Speaker, I would like to remind my colleagues on the other side that, under the leadership of the former president, almost a trillion dollars was spent on a stimulus package with nothing to show for it. I was in the business world then, and I have been in the business world 37 years. The reason I ran for Congress was because real-world experience is what I value. That is why I rise today in support of H.R. 880. The reason for that is because, when you invest and you invest properly, there is a return. Those families find jobs, and that is what this bill is about.

H.R. 880 is to simplify and make permanent the research and development tax credit. Despite the fact that the research tax credit has been extended 16 times since its enactment, it remains a temporary measure. It is very difficult to plan based on temporary measures. Clearly, it is high time that we provide certainty for innovators in Georgia and across the Nation by making this tax credit permanent.

Innovation is the lifeblood of the small-business community, which employs over 70 percent of the workforce. Innovation in the private sector is essential to driving our economy forward and in fostering growth and creating jobs for Americans now and in the future. It is our duty in Congress to incentivize businesses so that innovators and entrepreneurs can do what they do best and fill the ever-growing demand for jobs across our great Nation.

We have so many capable men and women willing to work, so let’s get out of the way of the entrepreneurial American spirit and modernize our tax code for working American families, that ensure that we continue to “rise above the gathering storm.” Norm Augustine and others led the way to show what the gathering storm was unless we made those investments in science and technology. As I said, we created ARPA-E, so important.

This Republican bill betrays everything that the COMPETES Act did. The Republican bill betrays everything that the COMPETES Act did. It is an assault on science and a plan to surrender American leadership on innovation. Instead of investing in research and development, their bill slashes funding for essential initiatives at the National Science Foundation, the National Institute of Standards and Technology, the Office of Science and Technology Policy, the Department of Energy research.

It amazes me how much doubletalk we engage in. We talk a great deal about deficit reduction and reducing spending, and yet, at the same time, we are passing a bill that is not paid for while we cut greatly needed programs and activities that would give balance to individuals all over the country who are just simply trying to survive and to make it, activities like Medicaid and SNAP.

In my communities and in many others throughout America, we are struggling right now with the idea of how do you develop summer work opportunities for young adults so that we could
Mr. THOMPSON of California. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I rise in support, as I said earlier, of the R&D tax credit. My colleagues on this side of the aisle support the R&D tax credit. As we have been saying here today on the floor, it is an important credit that is vital to our global competitiveness, job and economic growth, and maintaining our position as the world’s leader in innovation.

As I have also stated—and I will say it again—this bill isn’t paid for. The majority is adding $181 billion to the deficit with just this one bill. This is fiscally irresponsible.

What I haven’t been able to understand—and I am having trouble today trying to figure it out—is how we can pass bills that help corporations and the wealthy, adding the cost of that to the deficit, and then turn around and try to balance the budget and close the deficit on the backs of hard-working American families.

They are trying to do this by cutting the progressivity that we need to grow our economy, like education and infrastructure. We have an infrastructure bill that we are still waiting for a hearing on, which we are still waiting to see scheduled.

It is a double standard; it is hypocritical, and it is harmful to the people that all of us represent. We are ready and willing to work with the majority to strengthen the economy, including progrowth reforms that benefit businesses and expansive tax reform that will benefit all of America, but this is the wrong approach, and we should not be party to this political gamesmanship that is taking place on the floor today.

I urge my colleagues to vote “no” on this bill, and I yield back the balance of my time.

Mr. BRADY of Texas. Mr. Speaker, I yield myself such time as I may consume.

I think one of the big problems with Washington is that everyone finds excuses not to do the right thing. The truth is we need research and development here in America, not overseas. We need the jobs that come with that here in America, not overseas. We need, frankly, the future of America here, rather than overseas. Republicans and Democrats both agree on that; both sincerely agree on that. Today, we heard excuses, and we will hear excuses.

We are told this doesn’t fund infrastructure. It doesn’t. This is about funding the infrastructure of research and development and innovation, but not the government. This is through our entrepreneurs, like Apple and Microsoft, and all the new research and groundbreaking drugs and medical breakthroughs. That is how we are funding the infrastructure of our future. Roads and bridges, we will tackle in another bill.

We are told this isn’t comprehensive tax reform. No, it is not. It is a critical step forward in that by taking a provision that has been temporary far too long and making it a permanent part of our Tax Code so that we can invest in R&D with certainty, so we can have honest scorekeeping in our budget, and so we can take that first step toward real, comprehensive pro-growth tax reform.

We are told today, as we have heard in the past, that it is not paid for, but in fact, to the extensions since 1981, these provisions haven’t been paid for. Our Democrat friends passed these bills and supported them. They weren’t paid for. We have done the same. It was 1 year or 2 years at a time. To say this is fiscally irresponsible, when they voted so many times to do the same thing, seems to me to be another excuse.

The cost of doing this permanently is no more than the cost of doing it 1 or 2 years at a time. To think otherwise is sort of in the line of saying: You know, that dessert doesn’t have calories if I eat it standing up.

Well, the cost of R&D is the same, but the cost of not making it permanent is very much not the same. We know the impact will be fewer jobs here in America, more R&D in China, and we will lose our lead in the world as the world’s innovator.

No more excuses—what we are looking for today is a bipartisan effort to make sure those jobs are here in America, that our companies have a chance to invest more and more and more each year. That is what we want them to do. We want to give college graduates hope. As the majority leader from California noted, 4 out of 10 college graduates either can’t find jobs, or they are working behind a cash register. Well, it is wrong. We ought to give them an opportunity. We ought to give them some jobs and some hope. Those college graduates are skilled and talented, and they deserve to be part of America’s innovative society. That is what they deserve. That is what we are going to deliver to them.

While I am thrilled my Democrat friends are talking about the deficit, I wish they would have acted upon it earlier. The first year they took control of this House under the former Speaker, they doubled the deficit. The second year, they tripled the deficit. The third year, they took it over a trillion dollars and a trillion dollars again, until the American public said enough.

What we got for all that spending was the worst economic recovery in half a century. We are missing 6 million jobs from the American economy. We have fewer people working the workforce than we did before the recovery actually began. In some ways, we are going backwards, especially for our young people.

Today, with this bill, this is research and development. Both parties support. The only reason we are hearing the excuses is that it is a Republican bill this time. That is the only reason.
Research and development is not a Republican proposal. It is not a Democrat proposal. It is an American proposal. We all support it. We think our economy ought to grow not in Washington, but back home, and that innovation matters. The way we do that is to recapture America’s leadership in R&D.

For all those reasons—and for the support of entrepreneurs, manufacturers, and technology companies back home all across America—I urge that we stop the excuses, we join together as Republicans and Democrats, we take back America’s leadership in innovation and create the jobs that our young people deserve.

I yield back the balance of my time.

Mr. BLUM. Mr. Speaker, I rise today in support of the bipartisan bill H.R. 880 the American Research and Competitiveness Act of 2015 to make permanent and simplify an important tax credit, which promotes job creation and economic growth.

Unfortunately, the Congress did not address this issue last year, so I applaud Mr. BRADY for continuing to work on this important measure to bring certainty to an important sector of the U.S. economy.

By simply enhancing and making permanent the now expired research tax credit, H.R. 880 increases the ability of businesses to compete in an increasingly globalized marketplace by rewarding investments in innovation technologies and manufacturing. These new technologies provide the basis of new consumer products, increased scientific discovery, and technological improvements across numerous fields and disciplines.

The common sense American Research and Competitiveness Act of 2015 lowers the corporate income tax rate to 28 percent and lays the foundation for a strong economy.

In support of this bipartisan bill, I urge my colleagues on both sides of the aisle to join me in support of this common sense American Research and Competitiveness Act of 2015.

Mr. NEAL. Mr. Speaker, I am opposed to this bill in its current form, and I want to remind my colleagues that this will not kill the bill, nor will it send it back to committee. If adopted, the bill will proceed immediately to final passage as amended.

Well, we have just voted into the new Congress; and what do we hear from the majority? It is more of the same, more of the same assurances: Trust us on tax reform; it is on the way.

First, it was: Do not introduce tax bills. Trust us, tax reform is on the way.

Then it was: If we make some extenders permanent, trust us, tax reform is just around the corner.

The new refrain is: If we want to fix the highway trust fund, let’s do tax reform at the same time.

Mind you, we have just voted to extend the highway trust fund for the 33rd time, and in December, we will most likely vote to extend the R&D tax credit on another short-term basis. Let’s stop playing these games.

By the way, when my friend from Texas talked about Democrats extending the deficits, did he forget that Bill Clinton left us with four straight balanced budgets, and in 8 years, they wrecked the trajectory of those balanced budget with $2.3 trillion of tax cuts? That is the reality. When I heard him say the Democrats ran up the deficits, I guess they forgot there was a President Bush in between.

What do we do here? We do the estate tax repeal. That takes care of 5,400 families in America. How universal is that? If we weren’t doing the estate tax bill—repealing it, by the way—then what we could have done was perhaps extend and agree upon a robust R&D tax credit, which you all know I support.

What about, for 6, 7, 8, 9, or 10 years, put it in line and let private investment build around it?

If you are from Massachusetts, obviously you have more robust R&D tax credit. Who in Massachusetts could be against that? World class universities, hospitals, businesses, incubators—we produce some of the highest and best tech advancements in the world. Kendall Square in Cambridge has the highest concentration of R&D in the whole world.

We know this credit is vital to keeping America at the innovation forefront and we urge our colleagues to reject the short-and-stop nature of this credit has put a damper on the willingness of firms to invest because they don’t know if the credit is going to be gone tomorrow.

Now, a chance to point something out that I think bears repeating, as a percent of gross domestic product, research and development now is the lowest it has been in decades. Why is that? Because of the rejection of science on my Republican friend’s side, private sector R&D is way down.

The encouragement in the Tax Code is simply to buy smaller companies, merge, and take advantage of the innovation they have done. There is the opportunity here to build something around the R&D tax credit that should be taking advantage of here today, but we are not doing that because of the notion of having rejected this science.

The fickle nature of Congress toward this credit is attributable to one fact: We have not reformed the Tax Code since 1986. Now, Congressman BRADY wasn’t even born the last time that we did tax reform 30-some odd years ago. He was but a wish in a couple’s eye. That is how dated this argument is.

He said: Why can’t we agree on some things here?

There are some things we can agree upon: Barack Obama was not born in Kenya; secondly, and just importantly, there is no imminent invasion of Texas that is being planned; And third, very simply, the tax cuts don’t pay for themselves. They have to score some place.

We are taking up the time today debating this extender—or extenders—when we should be talking about tax reform that works for the middle class, a tax reform that does not reward investment; instead, we are doing this hedgepodge effort on tax extenders that really make no sense. Guess what, come December, we are going to be right back here on this floor tackling the R&D credit for another year or two.

Now, before they say to me, Mr. NEAL, you are wrong, I certainly have been right in the last two cycles about what happened as to where we ended up with tax extenders. The President has already said he would veto a permanent R&D credit at this time, and I understand the whole nature of why we need to do talking points.

I would submit this to my friend, Mr. BRADY, and he is my friend, and we work together on many pieces of legislation. Why don’t we commit ourselves to building an R&D tax credit for 10 years, so it can be built into the investment code of the American entrepreneur, so they know precisely what
is going to be out there, instead of taking this tactic today that is never going to see the light of day as we go forward? This Congress could have been spending its time today talking about income disparity, downward pressure on wages, robotics, and what is putting the American worker behind the curve of opportunity; but, no, we can’t do that. We spend our time instead on these sorts of arguments. I hope that we can send this back to committee and come up with something that we can all live with.

Mr. Speaker, I yield back the balance of my time.

Mr. BRADY of Texas. Mr. Speaker, I rise in opposition to the motion.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit. The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. NEAL. Mr. Speaker, on that I demand the yeas and nays.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to the order of the House of today, further proceedings on this question will be postponed.

AMERICA COMPETES REAUTHORIZATION ACT OF 2015

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill, H.R. 1806.

The SPEAKER pro tempore. Mr. DENHAM. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 271 and rule XVIII, the Chair declares the House in the Committee of the Whole on the state of the Union for the consideration of the bill (H.R. 1806) to provide for technological innovation through the prioritization of Federal investment in basic research, fundamental scientific discovery, and development to improve the competitiveness of the United States, and for other purposes, with Mr. YODER in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Texas (Mr. SMITH) and the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON) each will control 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. SMITH).

Mr. SMITH of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to sponsor H.R. 1806, the America COMPETES Reauthorization Act of 2015, a pro-science, fiscally responsible bill that sets America on a path to remain the world’s leader in innovation.

This bill reauthorizes civilian research programs at the National Science Foundation, the National Institute of Standards and Technology, the Department of Energy, and the Office of Science. H.R. 1806 prioritizes basic research and development, while staying within the caps set by the Budget Control Act.

America’s businesses rely on government support for basic research to produce the scientific breakthroughs that spur technological innovation, jump-start new industries, and spur economic growth. Title I of the bill reauthorizes the National Science Foundation for 2 years and provides a 4.3 percent increase for research and related activities.

The bill prioritizes funding for the Directorates of Biological Sciences, Computer and Information Science and Engineering, Engineering, and Mathematics and Physical Sciences and recognizes the need to make strategic investments in basic R&D for the U.S. to remain the global leader in science and innovation. The bill reprioritizes research spending at NSF by cutting funding for the Directorate for Social, Behavioral, and Economic Sciences and the Directorate for Geosciences.

Federal budget restraints require all taxpayers’ dollars to be spent on high-value science in the national interest. Unfortunately, NSF has funded a number of projects that do not meet the highest standards of scientific merit, from climate change musicals, to evaluating animal photographs in National Geographic, to studying human-set fires in New Zealand in the 1800s. There are dozens of other examples.

The bill ensures accountability by restoring the original intent of the 1950 NSF Act and requiring that all grants serve the “national interest.” The NSF has endorsed this goal.

Title II reauthorizes the Science, Space, and Technology Committee’s commitment to enhancing STEM education programs. A healthy and viable STEM workforce is critical to American industries and ensures our future economic prosperity.

The definition of STEM is expanded to include computer science, which connects all STEM subjects. The bill also creates an advisory panel on STEM education to ensure outside stakeholders have a role in assessing the Federal STEM education portfolio.

Title III includes three bipartisan bills the Science, Space, and Technology Committee approved in March. Those bills, H.R. 1119, the Research and Development Efficiency Act; H.R. 1156, the International Science and Technology Cooperation Act of 2015; and H.R. 1162, the Science Prize Competitions Act, passed the committee by voice vote. Two of these were sponsored by the Democrats.

Title IV supports the important measurement, standards, and technology work taking place at the National Institute of Standards and Technology laboratories, jump-starting the Manufacturing Extension Partnership program, and the recently authorized Network for Manufacturing Innovation.

Measurement science conducted at NIST contributes to industrial competitiveness by ensuring technical infrastructure and advancements for nanotechnology, global positioning systems, material sciences, cybersecurity, health information technology, and a variety of other fields. Title IV reauthorizes the Department of Energy Office of Science for 2 years, at a 5.4 percent increase over fiscal year 2015. It prioritizes basic research that enables researchers in all 50 States to have access to world-class user facilities, including supercomputers and high-intensity light sources.

This bill also prevents duplication and requires DOE to certify that its climate science work is unique and not being undertaken by another Federal agency.

Title VI reauthorizes the DOE applied research and development programs and activities for fiscal year 2016 and 2017. They include the Office of Electricity Delivery and Energy Reliability, the Office of Nuclear Energy, the Office of Energy Efficiency and Renewable Energy, the Office of Fossil Energy, and the Advanced Research Projects Agency-Energy.

H.R. 1806 refocuses some spending on late-stage commercialization efforts within the Office of Energy Efficiency and Renewable Energy to research and development efforts.

The bill requires DOE to provide a regular strategic analysis of science and technology activities within the Department, identifying key areas for collaboration across science and applied research programs.

Title VII proposes to cut red tape and bureaucracy in the DOE technology transfer process. It allows contractor-operators at DOE national laboratories to work with the private sector more efficiently by delegating signature authority to the directors of the labs