9

AMENDMENT TO H. CON. RES. 312
OFFERED BY MR. BRADY OF TEXAS

At the end of title VI, add the following new section:

1 **SEC. ___. SENSE OF CONGRESS ON MODERNIZING AND**
2 **MAKING PERMANENT THE RESEARCH AND**
3 **DEVELOPMENT TAX CREDIT.**

4 (a) FINDINGS.—Congress finds the following:

5 (1) In order for the United States to remain
6 the world's best innovator, we must have a stronger
7 research and development tax credit.

8 (2) There are currently two method for compa-
9 nies to calculate the research and development tax
10 credit, the traditional 20 percent credit and the 12
11 percent alternative simplified credit (ASC).

12 (3) The credit works well for a few companies,
13 it is not a viable option for new companies or com-
14 panies that have undergone significant change dur-
15 ing the past two decades.

16 (4) The ASC is an increasingly attractive op-
17 tion for many companies.

18 (5) We should phase-out the traditional credit
19 because it is becoming less and less useful for com-
20 panies.

1 (6) The ASC should be increased from 12 per-
2 cent to 20 percent.
3 (7) A three-year phase-out period should apply
4 to the 20 percent traditional credit, and an inverse
5 phase-in period should apply to the modernized 20
6 percent ASC.
7 (8) Our Nation needs a stronger more useful
8 research and development tax credit in order to se-
9 cure future economic growth.
10 (b) SENSE OF CONGRESS.—It is the sense of the
11 Congress that research and development tax credit should
12 be modernized by phasing-out the 20 percent traditional
13 credit over three years, and phasing-in a modified 20 per-
14 cent alternative simplified credit over three years.