

118TH CONGRESS  
1ST SESSION

# H. R. 5206

To amend the Internal Revenue Code of 1986 to make a portion of research credit refundable for certain small businesses engaging in specified medical research.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 15, 2023

Mr. BUCHANAN (for himself, Mr. FITZPATRICK, and Mr. KELLY of Pennsylvania) 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 make a portion of research credit refundable for certain small businesses engaging in specified medical research.

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. REFUNDABLE PORTION OF RESEARCH CREDIT**  
4 **FOR SMALL BUSINESSES ENGAGING IN SPEC-**  
5 **IFIED MEDICAL RESEARCH.**

6 (a) IN GENERAL.—Section 41 of the Internal Rev-  
7 enue Code of 1986 is amended by adding at the end the  
8 following new subsection:

1       “(i) REFUNDABLE PORTION FOR SMALL BUSI-  
2 NESSES ENGAGING IN SPECIFIED MEDICAL RESEARCH.—

3               “(1) IN GENERAL.—At the election of a medical  
4 research small business, the portion of the credit de-  
5 termined under this section for the taxable year  
6 which is properly allocable to specified medical re-  
7 search shall be treated (other than for purposes of  
8 section 280C) as a credit allowed under subpart C  
9 (and not this subpart).

10              “(2) MEDICAL RESEARCH SMALL BUSINESS.—  
11 For purposes of this subsection, the term ‘medical  
12 research small business’ means any domestic C cor-  
13 poration—

14                      “(A) which conducts any specified medical  
15 research during the taxable year, and

16                      “(B) the gross receipts of which (deter-  
17 mined under the rules of subsection (c)) for the  
18 taxable year do not exceed \$1,000,000.

19              “(3) SPECIFIED MEDICAL RESEARCH.—For  
20 purposes of this subsection, the term ‘specified med-  
21 ical research’ means any qualified research with re-  
22 spect to qualified countermeasures (as defined in  
23 section 319F–1(a)(2) of the Public Health Service  
24 Act (42 U.S.C. 247d–6a(a)(2))).

1           “(4) ELECTION.—Any election under this sub-  
2           section for any taxable year—

3                   “(A) shall specify the amount of the credit  
4                   to which such election applies,

5                   “(B) shall be made on or before the due  
6                   date (including extensions) of the return of tax  
7                   for the taxable year,

8                   “(C) may not be made for any taxable year  
9                   with respect to any portion of the credit deter-  
10                  mined under this section with respect to which  
11                  an election is made under subsection (h), and

12                  “(D) may be revoked only with the consent  
13                  of the Secretary.

14           “(5) REGULATIONS.—The Secretary shall pre-  
15           scribe such regulations for purposes of this sub-  
16           section as may be necessary or appropriate for de-  
17           termining proper allocation to specified medical re-  
18           search of the portion of any credit allowed to a tax-  
19           payer for a taxable year under this section.”.

20           (b) CONFORMING AMENDMENT.—Section 1324(b) of  
21           title 31, United States Code, is amended by inserting  
22           “41(i),” after “6428,”.

1           (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2022.

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