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114TH CONGRESS
2D SESSION

H. R. 5366

To amend the Internal Revenue Code of 1986 to exclude from gross income for seven years amounts earned from the sale of drugs that demonstrate breakthrough therapies for treating Alzheimer's disease.

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 2016

Mr. MURPHY of Florida (for himself and Mr. FITZPATRICK) 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 exclude from gross income for seven years amounts earned from the sale of drugs that demonstrate breakthrough therapies for treating Alzheimer's disease.

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 ''Alzheimer's Breakthrough Sunshine Act''.

SEC. 2. EXCLUSION OF AMOUNTS RECEIVED IN SALES OF BREAKTHROUGH THERAPY DRUGS TO TREAT ALZHEIMER'S DISEASE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting before section 140 the following new section:

"SEC. 139F. BREAKTHROUGH THERAPY DRUGS TO TREAT ALZHEIMER'S DISEASE.

''(a) IN GENERAL.—Gross income does not include amounts received from the qualified sale of an Alzheimer's drug.

''(b) LIMITATION.—Subsection (a) shall not apply after the end of the sixth taxable year beginning after the taxable year within which the Alzheimer's drug is first approved by the Food and Drug Administration.

''(c) DEFINITIONS.—For purposes of this section—

''(1) ALZHEIMER'S DISEASE.—The term 'Alzheimer's disease' means Alzheimer's disease and related dementias.

''(2) ALZHEIMER'S DRUG.—The term 'Alzheimer's drug' means a drug approved or licensed under section 505 of the Federal Food, Drug, and Cosmetic Act or section 351 of the Public Health Service Act as a disease-modifying treatment for Alzheimer's disease and that has been designated as

a breakthrough therapy under section 506(a) of the Federal Food, Drug, and Cosmetic Act.

''(3) QUALIFIED SALE.—The term 'qualified sale' means the sale (through an arm's length transaction) by the holder of the approved application for an Alzheimer's drug.

''(d) TERMINATION.—Subsection (a) shall not apply with respect to any Alzheimer's drug that is first approved by the Food and Drug Administration after the date which is 10 years after the date of the enactment of this section.''.

(b) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting before the item relating to section 140 the following new item:

''Sec. 139F. Breakthrough therapy drugs to treat Alzheimer's disease.''.

(c) EFFECTIVE DATE.—The amendments made by this Act shall apply to taxable years ending after the date of the enactment of this Act.

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