

## S 2197

A bill to amend the Internal Revenue Code of 1986 to reform the credit for increasing research activities, and for other purposes.

**Congress:** 115 (2017–2019, Ended)

**Chamber:** Senate

**Policy Area:** Taxation

**Introduced:** Dec 6, 2017

**Current Status:** Read twice and referred to the Committee on Finance.

**Latest Action:** Read twice and referred to the Committee on Finance. (Dec 6, 2017)

**Official Text:** <https://www.congress.gov/bill/115th-congress/senate-bill/2197>

### Sponsor

**Name:** Sen. Baldwin, Tammy [D-WI]

**Party:** Democratic • **State:** WI • **Chamber:** Senate

### Cosponsors

*No cosponsors are listed for this bill.*

### Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Dec 6, 2017

### Subjects & Policy Tags

**Policy Area:**

Taxation

### Related Bills

Bill	Relationship	Last Action
115 HR 2821	Related bill	<b>Jun 7, 2017:</b> Referred to the House Committee on Ways and Means.

This bill amends the Internal Revenue Code, with respect to the tax credit for increasing research activities (known as the research and experimentation tax credit), to:

- increase the alternative simplified credit rate to match the rate of the regular credit;
- allow taxpayers to use reasonable estimation techniques in lieu of contemporaneous accounting to measure employee hours per business component;
- allow employees engaging in the direct supervision or direct support of research activities which constitute qualified research to be included in the research expense calculation without regard to the employee's position or management level;
- allow the credit to be used for research related to the adaptation of an existing business component to a particular customer's requirement or need, cost reduction, or obsolescence mitigation; and
- allow taxpayers to make an election for a reduced credit (in order to be allowed a full deduction for research expenses) on an amended tax return.

The bill also allows a business-related tax credit equal to 10% of the qualified connective manufacturing equipment expenditures made by the taxpayer during the year. The credit applies to expenditures relating to the purchase or installation of: (1) industrial equipment components that contain a microprocessor and can be connected to an electronic communication network; and (2) software, routing, or local area network components necessary to connect the components to an electronic communication network.

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### **Actions Timeline**

- **Dec 6, 2017:** Introduced in Senate
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