

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2049

To amend the Internal Revenue Code of 1986 to permit taxpayers to elect a nonincremental credit for 5 percent of their aerospace-related research expenditures in lieu of the incremental research credit.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 10, 1993

Mrs. JOHNSON of Connecticut (for herself and Mrs. KENNELLY) 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 permit taxpayers to elect a nonincremental credit for 5 percent of their aerospace-related research expenditures in lieu of the incremental research credit.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That (a) section 41 of the Internal Revenue Code of 1986  
4       (relating to credit for increasing research activities) is  
5       amended by redesignating subsections (g) and (h) as sub-  
6       sections (h) and (i), respectively, and by inserting after  
7       subsection (f) the following new subsection:

1       “(g) ELECTIVE NONINCREMENTAL CREDIT FOR  
2 AEROSPACE BUSINESSES.—If the taxpayer elects the ben-  
3 efits of this subsection for a taxable year—

4               “(1) the research credit determined under sub-  
5 section (a) for such taxable year shall include a  
6 credit equal to 5 percent of the qualified research  
7 expenses of the taxpayer which are attributable to  
8 any aerospace-related business (as defined by the  
9 Secretary) of the taxpayer, and

10              “(2) in determining the amount of the credit  
11 determined under subsection (a)(1) for such taxable  
12 year, the qualified research expenses which are so  
13 attributable shall not be taken into account.

14       “An election under this subsection may only apply to  
15 either or both of the taxpayer’s first 2 taxable years begin-  
16 ning after the date of the enactment of this subsection.”

17       (b) The amendment made by subsection (a) shall  
18 apply to taxable years beginning after the date of the en-  
19 actment of this Act.

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