

.....
(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to increase the research tax credit and provide better access to the credit for business startups.

IN THE HOUSE OF REPRESENTATIVES

Ms. TENNEY introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to increase the research tax credit and provide better access to the credit for business startups.

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. SHORT TITLE.**

4 This Act may be cited as the “Fostering Innovation
5 and Research to Strengthen Tomorrow Act”.

6 **SEC. 2. INCREASE IN RESEARCH CREDIT AND BETTER AC-**
7 **CESS TO CREDIT FOR STARTUPS.**

8 (a) CREDIT RATE INCREASE.—

1 (1) IN GENERAL.—Section 41(a) of the Internal
2 Revenue Code of 1986 is amended by striking “20
3 percent” each place it appears and inserting “40
4 percent”.

5 (2) ALTERNATIVE SIMPLIFIED CREDIT.—Sec-
6 tion 41(c)(4)(A) of such Code is amended by strik-
7 ing “14 percent” and inserting “28 percent”.

8 (3) CREDIT RATE IN CASE OF NO RESEARCH
9 EXPENSES IN 3 PRECEDING YEARS.—Section
10 41(c)(4)(B)(ii) of such Code is amended by striking
11 “6 percent” and inserting “ $\frac{1}{2}$ the credit percentage
12 in effect under subparagraph (A)”.

13 (b) QUALIFIED SMALL BUSINESS GROSS RECEIPTS
14 THRESHOLD UNDER SMALL BUSINESS PORTION AL-
15 LOWED AGAINST PAYROLL TAX.—Section
16 41(h)(3)(A)(i)(I) of such Code is amended by striking
17 “\$5,000,000” and inserting “the dollar amount in effect
18 for the taxable year under section 448(c)(1)”.

19 (c) EFFECTIVE DATES.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2023.