

**HB 1695 - H AMD 114**

By Representative McIntire

1 On page 1, line 12, after "amount of" insert "incremental"

2 On page 1, line 14, strike "amounts" and insert "~~((amounts))~~  
3 incremental qualified research and development expenditures"

4 On page 2, beginning on line 2, after "by" strike all material  
5 through "1.50" on line 16 and insert the following:

6 "~~((the following:~~

7 ~~(i) For the period June 10, 2004, through December 31, 2006, the~~  
8 ~~person's average tax rate for the calendar year for which the credit is~~  
9 ~~claimed;~~

10 ~~(ii) For the calendar year ending December 31, 2007, the greater of~~  
11 ~~the person's average tax rate for that calendar year or 0.75 percent;~~

12 ~~(iii) For the calendar year ending December 31, 2008, the greater~~  
13 ~~of the person's average tax rate for that calendar year or 1.0 percent;~~

14 ~~(iv) For the calendar year ending December 31, 2009, the greater of~~  
15 ~~the person's average tax rate for that calendar year or 1.25 percent;~~

16 ~~(v) For the calendar year ending December 31, 2010, and thereafter,~~  
17 ~~1.50)) 5.0"~~

18 On page 5, line 11, after "(b)" insert "Incremental qualified  
19 research and development expenditures" means the amount of qualified  
20 research and development expenditures, or the amount received in  
21 compensation for the same, for the current reporting period, less the  
22 average amount expended, or received in compensation, in reporting  
23 periods for the three prior calendar years.

24 (c)"

- 1 On page 5, line 21, strike "(c)" and insert "((~~e~~)) (d)"
- 2 On page 5, line 23, strike "(d)" and insert "((~~d~~)) (e)"
- 3 On page 5, line 27, strike "(e)" and insert "((~~e~~)) (f)"
- 4 Correct internal references accordingly.

EFFECT: (1) Provides R&D tax credit equal to five percent of the increase in R&D expenditures.

(2) Changes the percent amount used for the credit calculation to 5.0 percent.

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