

**HB 1695 - H AMD 308**

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,~~  
8 ~~the person's average tax rate for the calendar year for which the~~  
9 ~~credit is claimed;~~

10 ~~— (ii) For the calendar year ending December 31, 2007, the~~  
11 ~~greater of the person's average tax rate for that calendar year or~~  
12 ~~0.75 percent;~~

13 ~~— (iii) For the calendar year ending December 31, 2008, the~~  
14 ~~greater of the person's average tax rate for that calendar year or~~  
15 ~~1.0 percent;~~

16 ~~— (iv) For the calendar year ending December 31, 2009, the~~  
17 ~~greater of the person's average tax rate for that calendar year or~~  
18 ~~1.25 percent;~~

19 ~~— (v) For the calendar year ending December 31, 2010, and~~  
20 ~~thereafter, 1.50)) 15.0"~~

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

28 (c)"

1 On page 5, line 21, strike "(c)" and insert "((~~c~~)) (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.

5 **EFFECT:** Provides R&D tax credit equal to 15 percent of the  
6 increase in R&D expenditures.