

**AMENDMENT TO RULES COMMITTEE PRINT 117-**

**31**

**OFFERED BY MR. WENSTRUP OF OHIO**

Page 2912, after line 4, insert the following:

1 **DIVISION M—TAX PROVISIONS**

2 **SEC. 12001. QUALIFYING ADVANCED MEDICAL MANUFAC-**  
3 **TURING EQUIPMENT CREDIT.**

4 (a) IN GENERAL.—Subpart E of part IV of sub-  
5 chapter A of chapter 1 of the Internal Revenue Code of  
6 1986 is amended by adding at the end the following new  
7 section:

8 **“SEC. 48D. QUALIFYING ADVANCED MEDICAL MANUFAC-**  
9 **TURING EQUIPMENT CREDIT.**

10 “(a) IN GENERAL.—For purposes of section 46, the  
11 qualifying advanced medical manufacturing equipment  
12 credit determined under this section for any taxable year  
13 is the applicable percentage of the basis of any qualifying  
14 advanced medical manufacturing equipment placed in  
15 service during such taxable year.

16 “(b) APPLICABLE PERCENTAGE.—For purposes of  
17 subsection (a), the applicable percentage is—

18 “(1) 30 percent in the case of equipment which  
19 is placed in service before January 1, 2029,

1           “(2) 20 percent in the case of equipment which  
2           is placed in service during calendar year 2029,

3           “(3) 10 percent in the case of equipment which  
4           is placed in service during calendar year 2030, and

5           “(4) 0 percent in the case of equipment which  
6           is placed in service after December 31, 2030.

7           “(c) QUALIFYING ADVANCED MEDICAL MANUFAC-  
8           TURING EQUIPMENT.—For purposes of this section, the  
9           term ‘qualifying advanced medical manufacturing equip-  
10          ment’ means property—

11           “(1) which is machinery or equipment that is  
12          designed and used to manufacture a—

13           “(A) drug (as such term is defined in sec-  
14          tion 201(g)(1) of the Federal Food, Drug, and  
15          Cosmetic Act),

16           “(B) device (as such term is defined in sec-  
17          tion 201(h) of such Act), or

18           “(C) biological product (as such term is  
19          defined in section 351(i) of the Public Health  
20          Service Act),

21           “(2) which has been identified by the Secretary  
22          (after consultation with the Secretary of Health and  
23          Human Services) as machinery or equipment that—

1           “(A) incorporates novel technology or uses  
2           an established technique or technology in a new  
3           or innovative way, or

4           “(B) that can improve medical product  
5           quality, address shortages of medicines, and  
6           speed time-to-market,

7           “(3) which is placed in service in the United  
8           States by the taxpayer, and

9           “(4) with respect to which depreciation is allow-  
10          able.

11          “(d) CERTAIN QUALIFIED PROGRESS EXPENDI-  
12          TURES RULES MADE APPLICABLE.—Rules similar to the  
13          rules of subsections (c)(4) and (d) of section 46 (as in  
14          effect on the day before the enactment of the Revenue  
15          Reconciliation Act of 1990) shall apply for purposes of  
16          this section.

17          “(e) REGULATIONS.—The Secretary shall prescribe  
18          such regulations or other guidance as may be necessary  
19          to carry out the purposes of this section, including regula-  
20          tions which prevent abuse or fraud.”.

21          (b) TREATMENT UNDER BASE EROSION TAX.—Sec-  
22          tion 59A(b)(1)(B)(ii) of such Code, as amended under sec-  
23          tion 1 of this Act, is further amended by striking “plus”  
24          at the end of subclause (II), by redesignating subclause

1 (III) as subclause (IV), and by inserting after subclause  
2 (II) the following new subclause:

3                   “(III) the credit allowed under  
4                   section 46 for the taxable year which  
5                   is properly allocable to the qualifying  
6                   advanced medical manufacturing  
7                   equipment credit determined under  
8                   section 48D(a), plus”.

9       (c) PART OF INVESTMENT CREDIT.—Section 46 of  
10 such Code is amended by striking “and” at the end of  
11 paragraph (5), by striking the period at the end of para-  
12 graph (6) and inserting “, and”, and by adding at the  
13 end the following new paragraph:

14                   “(7) the qualifying advanced medical manufac-  
15                   turing equipment credit.”.

16       (d) CLERICAL AMENDMENT.—The table of sections  
17 for subpart D of part IV of subchapter A of chapter 1  
18 of such Code is amended by adding at the end the fol-  
19 lowing new item:

“Sec. 48D. Qualifying advanced medical manufacturing equipment credit.”.

20       (e) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to periods after the date of the  
22 enactment of this section under rules similar to the rules  
23 of section 48(m) of the Internal Revenue Code of 1986

- 1 (as in effect on the date of the enactment fo the Revenue
- 2 Reconciliation Act of 1990).

