

1 COMMITTEE SUBSTITUTE

2 FOR

3 **Senate Bill No. 389**

4 (By Senators Prezioso, D. Facemire, Unger, Foster, Klempa and  
5 Minard)

6 \_\_\_\_\_  
7 [Originating in the Committee on the Judiciary;  
8 reported February 22, 2011.]  
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11  
12 A BILL to amend and reenact §11-13AA-3, §11-13AA-4, §11-13AA-5,  
13 §11-13AA-7, §11-13AA-11 and §11-13AA-12 of the Code of West  
14 Virginia, 1931, as amended, all relating to modifying the  
15 provisions of the West Virginia Commercial Patent Incentives  
16 Tax Act generally; defining terms; providing for tax credit  
17 carryover and accrual; restricting eligibility for tax credit;  
18 providing for disallowance of tax credit; providing for strict  
19 construction; making technical corrections to use appropriate  
20 terminology; and retroactively adjusting the effective date of  
21 the provisions of the act.

22 *Be it enacted by the Legislature of West Virginia:*

23 That §11-13AA-3, §11-13AA-4, §11-13AA-5, §11-13AA-7,  
24 §11-13AA-11 and §11-13AA-12 of the Code of West Virginia, 1931, as  
25 amended, be amended and reenacted, all to read as follows:

26 **ARTICLE 13AA. COMMERCIAL PATENT INCENTIVES TAX ACT.**

1 **§11-13AA-3. Definitions.**

2 (a) *General.* -- When used in this article, or in the  
3 administration of this article, terms defined in subsection (b) of  
4 this section have the meanings ascribed to them by this section,  
5 unless a different meaning is clearly required by either the  
6 context in which the term is used, or by specific definition, in  
7 this article.

8 (b) *Terms defined.* --

9 (1) "Agreement" means any agreement or contractual  
10 relationship entered into after the effective date of this section  
11 between a person developing patents in this state and either:

12 (A) A corporation established under the laws of this state  
13 that meet the requirements of section three, article twelve,  
14 chapter eighteen-b of this code; or

15 (B) A center for economic development and technological  
16 advancement created pursuant to section three, article twelve-a,  
17 chapter eighteen-b of this code.

18 (2) "Business activity" means all activities engaged in or  
19 caused to be engaged in by a person with the object of gain or  
20 economic benefit, direct or indirect. For purposes of this  
21 definition, the term "gain or economic benefit, direct or indirect"  
22 does not include income realized by any person in the form of  
23 wages, salary or income that is reported on federal form W-2.

24 (3) "Commercial use" means selling, licensing, leasing or  
25 otherwise making patents available to a third party for a price,  
26 fee, royalty, commission or other consideration called by whatever

1 name. "Commercial use" also means, in the case of patents  
2 developed by the developer for the developer's own commercial use,  
3 the first use of the patents in a manufacturing or other business  
4 activity of the developer. "Commercial use" does not include any  
5 selling, licensing, leasing or otherwise making patents available  
6 to a third party when done by a broker or by any person who does  
7 not own the patent sold, licensed, leased or otherwise made  
8 available.

9 (4) "Commissioner" and "Tax Commissioner" are used  
10 interchangeably herein and mean the Tax Commissioner of the State  
11 of West Virginia or his or her designee.

12 (5) "Copyright" means a copyright that is registered with the  
13 United States Copyright Office or with a similar office of a  
14 foreign country when the foreign copyright is recognized under  
15 federal law.

16 ~~(6) "Credit year" means the taxable year in which the person~~  
17 ~~realizes the net profit attributable to a patent. In the case of~~  
18 ~~a license or lease to use patents, "credit year" means each taxable~~  
19 ~~year during the term of the license or lease to use patents.~~

20 ~~(7)~~ (6) "Delegate" in the phrase "or his or her delegate",  
21 when used in reference to the Tax Commissioner, means any officer  
22 or employee of the Tax Department of the Department of Revenue duly  
23 authorized by the Tax Commissioner directly, or indirectly, by one  
24 or more redelegations of authority to perform the functions  
25 mentioned or described in this article.

26 (7) "Development of a patent," "developing patents" or

1 "development" means the act of inventing or discovering any new and  
2 useful process, machine, article of manufacture, or composition of  
3 matter, or any new and useful improvement thereto through  
4 significant investment of money, performance of research, or  
5 application of design or engineering expertise, which culminates in  
6 the issuance of a patent, as defined in this article.

7 (8) "Developer" means a person engaged in this state in  
8 developing patents for direct use in a manufacturing process or  
9 product and who has an agreement, as defined in this section, with  
10 Marshall University or West Virginia University.

11 (9) "~~Directly used in manufacturing process or product, "and~~  
12 ~~"direct use in manufacturing process or product" with reference to~~  
13 ~~patents mean the use of patents directly in those activities or~~  
14 ~~operations which constitute an integral and essential part of the~~  
15 ~~manufacturing processes and products, as contrasted with and~~  
16 ~~distinguished from those activities or operations which are simply~~  
17 ~~incidental, convenient or remote to the manufacturing activity such~~  
18 ~~as those activities that are incidental. Those activities that are~~  
19 ~~incidental to business activities such as bills, marketing,~~  
20 ~~inventory control, order fulfillment, shipping and tracking are not~~  
21 ~~considered an integral and essential part of the manufacturing~~  
22 ~~process or product~~ means application or incorporation of a patented  
23 process, machine, article of manufacture or composition of matter,  
24 in manufacturing operations or processes, or in manufactured  
25 products, in circumstances where United States or foreign patent  
26 laws require that the specific patent for the process, machine,

1 article of manufacture or composition of matter be owned by the  
2 manufacturer, or purchased, leased, licensed or authorized by  
3 contract to be applied or incorporated in the manufacturing  
4 operation, processes or product, and where such lawful ownership,  
5 purchase, lease, licensure or contractual authorization is in  
6 effect.

7 (10) "Manufacturing" means any business activity classified as  
8 having a sector identifier, consisting of the first two digits of  
9 the six-digit North American Industry Classification System code  
10 number of thirty-one, thirty-two or thirty-three.

11 (11) "Mask work" means a series of related images, however  
12 fixed or encoded:

13 (A) Having or representing the predetermined, three-  
14 dimensional pattern of metallic, insulating or semiconductor  
15 material present or removed from the layers of a semiconductor chip  
16 product; and

17 (B) In which series the relation of the images to one another  
18 is that each image has the pattern of the surface of one form of  
19 the semiconductor chip product.

20 (12) "Net profits" means West Virginia taxable income as  
21 determined for purposes of article twenty four of this chapter,  
22 before application of this credit and after application of all  
23 credits allowable under this chapter except this credit. In the  
24 case of taxpayers that are not subject to the tax imposed by  
25 article twenty-four, "net profits" means West Virginia taxable  
26 income as determined for purposes of article twenty-one of this

1 chapter, before application of this credit and after application of  
2 all credits allowable under this chapter except this credit. In  
3 circumstances where net profit is not solely attributable to and  
4 the exclusive result of the direct use of a patent in a  
5 manufacturing process or product in this state, the taxpayer shall  
6 determine net profit solely attributable to and the exclusive  
7 result of the direct use of a patent in a manufacturing process or  
8 product in this state, and net profit for purposes of determining  
9 the amount of credit allowable under this article shall be the net  
10 profit solely attributable to and the exclusive result of the  
11 direct use of a patent in a manufacturing process or product in  
12 this state.

13       ~~(12)~~ (13) "Owner", when used in reference to a pass-through  
14 entity, means a person who owns an equity interest in the pass-  
15 through entity.

16       ~~(13)~~ (14) "Partnership" includes a syndicate, group, pool,  
17 joint venture or other unincorporated organization through or by  
18 means of which any business, financial operation or venture is  
19 carried on, which is not a sole proprietorship, trust or estate,  
20 and which is treated as a partnership for federal income tax  
21 purposes for the taxable year.

22       ~~(14)~~ (15) "Pass-through entity" means a partnership, limited  
23 liability company, small business corporation (S corporation) or  
24 other entity treated as a partnership for federal income tax  
25 purposes for the taxable year.

1       ~~(15)~~ (16) "Patent" means a United States patent issued  
2 pursuant to 35 U.S.C. §101, et seq. or the Patent Cooperation  
3 Treaty done at Washington, on June 19, 2970 ~~or foreign national~~  
4 ~~patent grant or United States certificate of invention or~~  
5 ~~certificate of protection under the Plant Variety Protection Office~~  
6 ~~of the United States Department of Agriculture~~ and is limited to  
7 patents developed in this state for direct use in a manufacturing  
8 process or product, or both developed for use and directly used in  
9 a manufacturing process or product in this state. For purposes of  
10 this article, patents do not include copyrights, trademarks, mask  
11 works, trade secrets or any intellectual property that is not a  
12 patent.

13       ~~(16)~~ (17) "Person" includes a natural person, corporation,  
14 limited liability company or partnership. A single member  
15 liability company that is treated as a disregarded entity for  
16 federal income tax purposes is be treated as a disregarded entity  
17 for purposes of this article.

18       ~~(17)~~ (18) "Purchase" means a transaction under which title to  
19 an item is transferred for consideration, or a license or lease  
20 contract for at least three years is executed, regardless of  
21 whether title to the item is transferred at the end of the lease or  
22 license period.

23       ~~(18)~~ (19) "Taxpayer" means any person subject to the tax  
24 imposed by article twenty-three or twenty-four of this chapter or  
25 to both taxes. In the case of a sole proprietorship that is not  
26 subject to either the tax imposed by article twenty-three or

1 twenty-four of this chapter, the term "taxpayer" means a natural  
2 person who owns a disregarded entity and who is subject to the tax  
3 imposed by article twenty-one of this chapter on his or her income  
4 from business activity in this state, or any sole proprietor who is  
5 subject to the tax imposed by article twenty-one of this chapter.

6 ~~(19)~~ (20) "Trademark" means any trademark, trade name, service  
7 mark or other identifying symbol or name that is registered with  
8 the United States Patent and Trademark Office or with a similar  
9 office of a foreign country when the foreign registration is  
10 recognized under federal law.

11 ~~(20)~~ (21) "Trade secret" means information, including a  
12 formula, pattern, compilation, program device, method, technique or  
13 process, that:

14 (A) Derives independent economic value, actual or potential,  
15 from not being generally known to, and not being readily  
16 ascertainable by proper means, by other persons who can obtain  
17 economic value from its disclosure or use; and

18 (B) Is the subject of efforts that are reasonable under the  
19 circumstances to maintain its secrecy.

20 **§11-13AA-4. Tax incentive for developing patents in this state.**

21 (a) *Allowance of credit.* -- A person engaging in this state in  
22 developing patents for direct use in a manufacturing process or  
23 product and who has an agreement, as defined in section three of  
24 this article, ~~with Marshall University or West Virginia University~~  
25 is allowed a credit, when computing the person's liability for  
26 business franchise tax imposed by article twenty-three of this



1 chapter and corporation net income tax imposed by article twenty-  
2 four of this chapter, in the amount allowed under subsection (b) of  
3 this section. When the developer is a sole proprietor or a pass-  
4 through entity, that amount of the credit remaining after first  
5 applying it against the tax liability under article twenty-three of  
6 this chapter for the taxable year is allowed when computing the tax  
7 imposed by article twenty-one of this chapter on income from the  
8 person's business activity. No credit is allowed under this  
9 article for any activity, investment, assets, or expenditures for  
10 which any of the tax credits authorized under articles thirteen-d,  
11 thirteen-e, thirteen-g, thirteen-r, thirteen-s, or thirteen-x of  
12 this chapter, has been authorized, taken or allowed. No credit is  
13 allowed under this article for any activity, investment, assets, or  
14 expenditures for which the tax credits authorized under article  
15 thirteen, chapter eighteen-b, has been, authorized, taken or  
16 allowed.

17 (b) *Amount of credit.* -- The amount of credit allowed under  
18 this section is equal to twenty percent of the royalties, license  
19 fees or other consideration received by the developer during the  
20 taxable year from the sale, lease or licensing of a patent  
21 developed in this state for direct use in a manufacturing process  
22 or product by the person in taxable years beginning on or after  
23 January 1, 2011: *Provided,* That the amount of credit allowed under  
24 this section is thirty percent, rather than twenty percent, when  
25 the person reinvests at least eighty percent of the amount of the  
26 credit claimed for the taxable year in depreciable property

1 purchased for purposes of developing additional patents in this  
2 state in taxable years beginning on or after January 1, 2011, or  
3 improving upon a patent developed in this state or contributing to  
4 a stipend to retain a graduate or post-doctoral student in this  
5 state integral to the development of the patents or related  
6 technology in taxable years beginning on or after January 1, 2011,  
7 during the next taxable year of the person, and the person has an  
8 agreement, as defined in section three of this article, for the  
9 development of a patent.

10 (c) *Rules for application of credit.* -- The amount of credit  
11 computed under this section is allowed in accordance with the  
12 following rules and applied as provided in subsection (d) of this  
13 section:

14 (1) No credit is allowed under this section for royalties,  
15 rents, license fees or other consideration received by the  
16 developer of the patent for a patent developed outside this state,  
17 except as provided in subdivision (2) of this subsection;

18 (2) When the person developed the patent for direct use in a  
19 manufacturing process or product through that person's activity in  
20 this state and through that person's activity in one or more other  
21 states, the consideration received by the developer during the  
22 taxable year from the sale, lease or license of the patent  
23 developed through multistate activity of the developer is  
24 multiplied by a fraction, the numerator of which is the direct  
25 costs of developing the patent in this state and the denominator of  
26 which is the total direct costs of developing the patent. The

1 product of this computation establishes the consideration to be  
2 used in subsection (b) of this section;

3 (3) If a person receives a portion of a royalty that would be  
4 eligible for a tax credit under this section because of a business  
5 association, licensing agreement or otherwise, the person may  
6 receive the tax credit allowable to the portion of royalties that  
7 person receives provided the person has an agreement, as defined in  
8 section three of this article and otherwise meets the requirements  
9 for entitlement to this credit, as set forth in subsection (a) of  
10 this section;

11 (4) Unused credit may be carried forward until the earlier of  
12 the tax year when the credit is used up or ~~used for a period of~~  
13 ~~nine~~ the ninth consecutive tax year after ~~the taxable year in which~~  
14 ~~the credit allowed by this section accrues to the person~~ the first  
15 tax year in which the taxpayer is eligible to claim the credit.  
16 When the person is an owner of a pass-through entity, credit  
17 ~~accrues to~~ may be taken by the owner beginning in the tax year when  
18 ~~it accrues to~~ credit may be taken by the pass-through entity or  
19 when the pass through entity gains entitlement to the credit;

20 (5) No credit is allowed under this section for consideration  
21 received by the developer for patents developed for direct use in  
22 a manufacturing process or product before the taxable year  
23 beginning January 1, 2011. For purposes of this subdivision, a  
24 patent was developed for direct use in a manufacturing process or  
25 product before January 1, 2011, if ~~before that date~~ it was sold,  
26 leased or licensed to a third party prior to January 1, 2011, or

1 before that day it was reduced to practice for purely commercial  
2 purposes by the developer or a person related to the developer, as  
3 defined in subsection (b), Section 267 of the Internal Revenue Code  
4 of 1986, as amended; ~~and as defined in section nine, article~~  
5 ~~twenty-one of this chapter or section three, article twenty-four of~~  
6 ~~this chapter; and~~

7       (6) No credit is allowed under this section for consideration  
8 received by the developer from a person related to the developer,  
9 as defined in subsection (b), Section 267 of the Internal Revenue  
10 Code of 1986, as amended for patents developed for direct use in a  
11 manufacturing process or product; and

12       ~~(6)~~ (7) No credit is allowed under this section beginning with  
13 the eleventh taxable year after the patent was first directly used  
14 in a manufacturing process or product.

15       (d) *Application of credit.* -- The amount of the credit  
16 computed under this section is allowed as a credit against tax as  
17 provided in this subsection, but the credit may not reduce the tax  
18 below zero.

19       (1) *Business franchise tax.*-- The amount of the allowable  
20 credit shall first be taken as a credit against the tax liability  
21 of the developer for the taxable year under article twenty-three of  
22 this chapter.

23       (2) *Corporation net income tax.* -- The amount of the allowable  
24 credit remaining, if any, after first applying the credit against  
25 the tax imposed by article twenty-three of this chapter shall then

1 be taken as a credit when computing the liability of the developer  
2 for the taxable year under article twenty-four of this chapter.

3 (3) *Personal income tax on business income.* --

4 (A) When the developer is a sole proprietor, the amount of the  
5 allowable credit is taken as a credit when computing the liability  
6 of the developer for the taxable year on business income under  
7 article twenty-one of this chapter.

8 (B) When the developer is a pass-through entity, the amount of  
9 allowable credit remaining, if any, after first applying the credit  
10 against the tax imposed by article twenty-three of this chapter for  
11 the taxable year is allowed as a credit against the tax imposed for  
12 the taxable year on the West Virginia source income of the pass-  
13 through entity under article twenty-one of this chapter and the  
14 amount of the credit is distributed to the owners of the pass-  
15 through entity in the same manner as items of partnership income,  
16 gain loss or deduction are distributed or allocated for the taxable  
17 year.

18 **§11-13AA-5. Tax credit for use of a patent in a manufacturing**  
19 **process or product in this state that was developed**  
20 **in this state.**

21 (a) *Allowance of credit.* -- A person directly using a patent  
22 developed in this state in a manufacturing process or product in  
23 this state is allowed a credit against the person's liability for  
24 business franchise tax imposed by article twenty-three of this  
25 chapter and corporation net income tax imposed by article twenty-

1 four of this chapter, the amount computed under subsection (b) of  
2 this section. When the user of a patent is a sole proprietor or a  
3 pass-through entity, that amount of credit allowed against income  
4 taxes shall be against the tax imposed by article twenty-one of  
5 this chapter.

6 (b) *Amount of credit.* -- The amount of credit allowed under  
7 this section is equal to twenty percent of the net profit  
8 attributable to the patent: *Provided,* That the amount of credit  
9 allowed under this section is equal to thirty percent of the net  
10 profit attributable to the patent when the person claiming the  
11 credit reinvests in capital improvements to add product lines to or  
12 increase productivity in this state during the next taxable year an  
13 amount equal to at least eighty percent of the tax credit amount  
14 used for the taxable year.

15 (c) *Rules for application of credit.* -- The amount of credit  
16 computed under this section is allowed in accordance with the  
17 following rules and applied as provided in subsection (d) of this  
18 section:

19 (1) The credit allowed by this section is applied after all  
20 other credits allowed by this chapter have been applied against the  
21 person's business franchise tax and West Virginia income tax  
22 liabilities for the taxable year under this chapter;

23 (2) Unused credit may be carried forward until the earlier of  
24 the tax year when the credit is used up or used for a period of  
25 nine the ninth consecutive tax year after ~~the taxable year in which~~  
26 ~~the credit allowed by this section accrues to the person~~ the first

1 tax year in which the taxpayer is eligible to claim the credit.

2 When the person is an owner of a pass-through entity, credit  
3 ~~accrues to~~ may be taken by the owner beginning in the tax year when  
4 ~~it accrues to~~ credit may be taken by the pass-through entity or  
5 when the pass through entity gains entitlement to the credit;

6 (3) Any credit not used within the ten-year period described  
7 in subdivision (2) of this subsection is forfeited beginning with  
8 the eleventh taxable year after the ~~taxable year in which the~~  
9 ~~credit accrued to the person~~ first tax year in which the taxpayer  
10 is eligible to claim the credit;

11 (4) No credit is allowed under this section for using a patent  
12 in this state when the person began using the patent before January  
13 1, 2011;

14 (5) No credit is allowed under this section for using a patent  
15 in this state for which the taxpayer is allowed credit under  
16 another article of this chapter.

17 (6) No credit is allowed under this section for any patent  
18 acquired from, by or between, leased from, by or between, licensed  
19 from, by or between, or otherwise authorized to be used from, by or  
20 between related persons, as defined in subsection (b), Section 267  
21 of the Internal Revenue Code of 1986, as amended.

22 (7) Amounts received from, by or between related persons, as  
23 defined in subsection (b), Section 267 of the Internal Revenue Code  
24 of 1986, as amended, are disallowed when calculating net profit  
25 attributable to a patent.

1       (d) *Application of credit.* -- The amount of the credit  
2 computed under this section is allowed as a credit against tax as  
3 provided in this subsection, but the credit may not reduce the tax  
4 below zero.

5       (1) *Business franchise tax.* -- The amount of the allowable  
6 credit shall first be taken as a credit against the tax liability  
7 of the person allowed the credit for the taxable year under article  
8 twenty-three of this chapter.

9       (2) *Corporation net income tax.* -- The amount of the allowable  
10 credit remaining, if any, after first applying the credit against  
11 the tax imposed by article twenty-three of this chapter shall then  
12 be taken as a credit when computing the liability of the  
13 corporation for the taxable year under article twenty-four of this  
14 chapter.

15       (3) *Personal income tax on business income.* --

16       (A) When the person allowed the credit is a sole proprietor,  
17 the amount of the allowable credit is taken as a credit when  
18 computing the liability of the person allowed the credit for the  
19 taxable year on business income under article twenty-one of this  
20 chapter.

21       (B) When the person allowed the credit is a pass-through  
22 entity, the amount of allowable credit remaining, if any, after  
23 first applying the credit against the tax imposed by article  
24 twenty-three of this chapter for the taxable year is allowed as a  
25 credit against the tax imposed for the taxable year on the West  
26 Virginia source income of the pass-through entity under article



1 twenty-one of this chapter and the amount of the credit is  
2 distributed to the owners of the pass-through entity in the same  
3 manner as items of partnership income, gain loss or deduction are  
4 distributed or allocated for the taxable year.

5 **§11-13AA-7. Identification of a patent and required records.**

6 (a) *Required records.* -- Every developer of a patent in this  
7 state for direct use in a manufacturing process or product and  
8 every person who uses a patent directly in a manufacturing process  
9 or product in this state who claims a credit under this article  
10 shall maintain sufficient records to establish the following facts  
11 for each item of a patent for which a credit is allowed under this  
12 article:

13 (1) Its identity;

14 (2) The amount of net profit attributable to the patent;

15 (3) The month and taxable year in which the patent was first  
16 used, placed in service or directly used in the person's  
17 manufacturing process or product in this state;

18 (4) The amount of credit taken; and

19 (5) The date the patent was disposed of or otherwise ceased to  
20 be directly used in the person's manufacturing process or product  
21 in this state.

22 (b) *Enhanced ~~deduction of~~ credit.* -- Any person who claims the  
23 enhanced credit under section four or five of this article shall  
24 maintain sufficient records to clearly establish entitlement to  
25 claim the amount of the enhanced credit. At a minimum those  
26 records shall identify:

1 (1) Each and every item of depreciable property purchased for  
2 purposes of claiming the enhanced credit;

3 (2) The date the depreciable property identified in  
4 subdivision (1) of this subsection was purchased, its cost and its  
5 estimated useful life determined using ~~strait~~ straight-line method  
6 of depreciation;

7 (3) The date the depreciable property identified in  
8 subdivision (1) of this subsection was placed in service or used in  
9 the person's business activity in this state;

10 (4) The date the depreciable property identified in  
11 subdivision (1) of this subsection was taken out of service or use  
12 in the person's business activity in this state and the reason why  
13 the property was taken out of service or use; and

14 (5) Other information that the Tax Commissioner may reasonably  
15 require by rule promulgated as provided in section eleven of this  
16 article.

17 (c) *New jobs.* -- Every person who claims a credit under this  
18 article shall also maintain sufficient records to establish the  
19 number and types of new jobs, if any created, the wages and  
20 benefits paid to employees filling the new jobs and the duration of  
21 each job.

22 (d) *Exception.* -- This section does not apply to an owner of  
23 a pass-through entity that develops or uses a patent for which a  
24 credit is allowed under this article.

25 **§11-13AA-11. Interpretation and construction.**

1 (a) No inference, implication or presumption of legislative  
2 construction or intent may be drawn or made by reason of the  
3 location or grouping of any particular section, provision or  
4 portion of this article; and no legal effect may be given to any  
5 descriptive matter or heading relating to any section, subsection  
6 or paragraph of this article.

7 (b) The provisions of this article shall be ~~reasonably~~  
8 strictly construed in order to effectuate the legislative intent  
9 recited in section two of this article.

10 **§11-13AA-12. Effective date.**

11 The provisions of this article retroactively become effective  
12 on ~~July~~ January 1, 2011, and apply only to a patent developed in  
13 this state ~~after the taxable years~~ in tax years beginning on or  
14 after January 1, 2011, and to a patent purchased, leased or  
15 licensed for use on or after that date for direct use in the  
16 taxpayer's manufacturing process or product in this state.

NOTE: The purpose of this bill is to make technical changes to correct some infirmities related to incorrect terminology, unworkable effective dates, and to disallow some related transactions within the Commercial Patent Incentives Tax Act.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.