

110TH CONGRESS
1ST SESSION

H. R. 3235

To ensure the development and responsible stewardship of nanotechnology.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2007

Mr. HONDA introduced the following bill; which was referred to the Committee on Science and Technology, and in addition to the Committees on Ways and Means, Energy and Commerce, and Homeland Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To ensure the development and responsible stewardship of nanotechnology.

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 “Nanotechnology Ad-
5 vancement and New Opportunities Act”.

1 **TITLE I—INVESTMENT IN**
2 **NANOTECHNOLOGY INDUSTRY**

3 **SEC. 101. NANOMANUFACTURING INVESTMENT PARTNER-**
4 **SHIP.**

5 (a) ESTABLISHMENT.—If \$100,000,000 is made
6 available for such purposes from the private sector within
7 2 years after the date of enactment of this Act, the Sec-
8 retary of Commerce shall establish the Nanomanu-
9 facturing Investment Partnership, in partnership with
10 such private sector investors.

11 (b) PURPOSE.—The Nanomanufacturing Investment
12 Partnership shall provide funding for precommercial
13 nanomanufacturing research and development projects,
14 but not for basic research projects, through funding mech-
15 anisms described in subsection (c) in a manner so as to
16 advance the commercialization of nanomanufacturing
17 technologies to address critical scientific and engineering
18 needs of national importance, especially with respect to
19 projects that would not be adequately funded or pursued
20 by the private sector or pursuant to the 21st Century
21 Nanotechnology Research and Development Act or other
22 law, and to increase the commercial application of feder-
23 ally supported research results. To the extent that a suffi-
24 cient number of viable applications have been submitted,
25 at least 85 percent of the funding provided by the

1 Nanomanufacturing Investment Partnership under this
2 section shall be provided to startup companies.

3 (c) FUNDING MECHANISMS.—The Nanomanufac-
4 turing Investment Partnership may provide funding
5 through direct investment in nanomanufacturing firms,
6 contracts, loans or loan guarantees, unsecured subordi-
7 nated debt, or any other mechanism designed to advance
8 nanomanufacturing technologies.

9 (d) RETURN ON INVESTMENT.—

10 (1) REQUIREMENT.—Each transaction through
11 which the Nanomanufacturing Investment Partner-
12 ship provides funding under subsection (c) shall pro-
13 vide for the return to the Nanomanufacturing In-
14 vestment Partnership of fair and reasonable
15 amounts resulting from the commercialization of
16 technologies developed with the funding provided by
17 the Nanomanufacturing Investment Partnership.

18 (2) DISTRIBUTION.—Amounts received by the
19 Nanomanufacturing Investment Partnership pursu-
20 ant to paragraph (1) shall be distributed as follows:

21 (A) Except as provided in subparagraph
22 (B), amounts shall be distributed to all inves-
23 tors in the Nanomanufacturing Investment
24 Partnership, including the Federal Government,
25 in proportion to their monetary contribution to

1 the Nanomanufacturing Investment Partner-
2 ship.

3 (B) After the total monetary investment of
4 the Federal Government has been recovered
5 under subparagraph (A), the Federal share of
6 distributions under this paragraph shall be re-
7 duced to 7 percent of the proportional distribu-
8 tion under subparagraph (A), and the remain-
9 ing amounts shall be distributed proportionately
10 to all non-Federal investors.

11 (e) COST SHARING.—Each applicant for funding as-
12 sistance from the Nanomanufacturing Investment Part-
13 nership for a project shall be required to provide a portion
14 of the cost of the project.

15 (f) ADMINISTRATION.—The Secretary of Commerce,
16 based on guidance from the Advisory Board established
17 under subsection (i), shall make awards of funding under
18 this section. The Advisory Board may obtain additional
19 peer review in preparing guidance for the Secretary under
20 this subsection.

21 (g) PROGRESS REPORTS.—The Nanomanufacturing
22 Investment Partnership shall require periodic project
23 progress reports from recipients of funding under this sec-
24 tion.

25 (h) ADVISORY BOARD.—

1 (1) ESTABLISHMENT.—The Secretary of Com-
2 merce shall establish an Advisory Board to assist the
3 Secretary in carrying out this section, including by
4 establishing requirements for progress reports under
5 subsection (g). The Advisory Board shall consist
6 of—

7 (A) representatives of each investor pro-
8 viding more than \$10,000,000 to the
9 Nanomanufacturing Investment Partnership,
10 whose votes shall—

11 (i) be distributed proportional to the
12 size of their investment in the
13 Nanomanufacturing Investment Partner-
14 ship; and

15 (ii) collectively amount to 40 percent
16 of the votes on the Advisory Board; and

17 (B) independent experts on nanomanu-
18 facturing and finance appointed by the Presi-
19 dent from among representatives of govern-
20 ment, industry, and academia, whose votes shall
21 collectively amount to 60 percent of the votes
22 on the Advisory Board.

23 (2) TERMS.—Members of the Advisory Board
24 appointed under paragraph (1)(A) shall be ap-
25 pointed for 3 year terms, except that the President

1 shall make some initial appointments for terms of 1
2 year and some for terms of 2 years, in order to en-
3 sure continuity of membership on the Advisory
4 Board.

5 (i) AUTHORIZATION OF APPROPRIATIONS.—There
6 are authorized to be appropriated to the Secretary of Com-
7 merce for the Nanomanufacturing Investment Partnership
8 \$300,000,000, to remain available until expended.

9 **SEC. 102. TAX CREDIT FOR INVESTMENT IN NANO-**
10 **TECHNOLOGY FIRMS.**

11 (a) IN GENERAL.—Part IV of subchapter A of chap-
12 ter 1 of the Internal Revenue Code of 1986 (relating to
13 credits against tax) is amended by adding at the end the
14 following new subpart:

15 **“Subpart I—Nanotechnology Development Credit**
16 **“SEC. 54A. CREDIT FOR PURCHASE OF NANOTECHNOLOGY**
17 **DEVELOPER STOCK.**

18 “(a) ALLOWANCE OF CREDIT.—

19 “(1) IN GENERAL.—There shall be allowed as a
20 credit against the tax imposed by this chapter for
21 the taxable year an amount equal to the applicable
22 percentage of the aggregate amount paid by the tax-
23 payer for the purchase of qualified nanotechnology
24 developer stock.

1 “(2) APPLICABLE PERCENTAGE.—For purposes
2 of subsection (a), the applicable percentage is—

3 “(A) 5.25 percent for the taxable year in
4 which the qualified nanotechnology developer
5 stock is purchased,

6 “(B) 3.75 percent for the taxable year fol-
7 lowing the year in which such stock is pur-
8 chased,

9 “(C) 3 percent for the second taxable year
10 following the year in which such stock is pur-
11 chased,

12 “(D) 1.5 percent for the third taxable year
13 following the year in which such stock is pur-
14 chased,

15 “(E) 1.5 percent for fourth taxable year
16 following the year in which such stock is pur-
17 chased, and

18 “(F) 0 percent for any taxable year after
19 the fourth taxable year following the year in
20 which such stock is purchased.

21 “(b) LIMITATIONS.—

22 “(1) AMOUNT OF INVESTMENT ELIGIBLE.—No
23 credit shall be allowed under subsection (a) with re-
24 spect to amounts paid in any taxable year for the

1 purchase of qualified nanotechnology developer stock
2 which is in excess of \$10,000,000.

3 “(2) APPLICATION WITH OTHER CREDITS.—

4 The credit allowed under subsection (a) for any tax-
5 able year shall not exceed the excess of—

6 “(A) the regular tax for the taxable year
7 reduced by the sum of the credits allowable
8 under this part (other than subpart C thereof),
9 over

10 “(B) the tentative minimum tax for the
11 taxable year.

12 “(c) QUALIFIED NANOTECHNOLOGY DEVELOPER
13 STOCK.—For purposes of this section—

14 “(1) IN GENERAL.—The term ‘qualified
15 nanotechnology developer stock’ means any common
16 stock in a C corporation or any membership unit in
17 a State-registered limited liability company if—

18 “(A) as of the date of issuance of such
19 stock or membership unit, such corporation or
20 company is a qualified nanotechnology devel-
21 oper,

22 “(B) such stock is acquired by the tax-
23 payer at its original issue (directly or through
24 an underwriter) in exchange for money or other
25 property (not including stock), and

1 “(C) the proceeds of such issue are used
2 by such issuer during the 5-year period begin-
3 ning on the date of issuance for the develop-
4 ment, production, or sale of products using
5 nanotechnology.

6 “(2) QUALIFIED NANOTECHNOLOGY DEVEL-
7 OPER.—The term ‘qualified nanotechnology devel-
8 oper’ means any entity—

9 “(A) which is a C corporation or limited li-
10 ability company organized under the laws of
11 any State or of the United States,

12 “(B) which is a small business concern (as
13 defined in section 3(a) of the Small Business
14 Act), and

15 “(C) with respect to which a certification
16 under subsection (d) is in effect.

17 “(3) NANOTECHNOLOGY.—The term ‘nanotech-
18 nology’ means the science of understanding and ma-
19 nipulating matter on an atomic or molecular scale,
20 generally to create structures, and usually at a size
21 smaller than 100 nanometers.

22 “(d) CERTIFICATION.—

23 “(1) IN GENERAL.—The Secretary, in consulta-
24 tion with the National Nanotechnology Coordination
25 Office, shall certify an entity under this subsection

1 if such entity demonstrates by the submission of
2 such information as required by the Secretary that
3 not less than 51 percent of its activities relate to the
4 development, production, and sale of products using
5 nanotechnology.

6 “(2) REVOCATION.—The Secretary shall revoke
7 the certification of any entity which is certified
8 under paragraph (1) if the Secretary determines
9 that—

10 “(A) the proceeds from any qualified
11 nanotechnology developer stock issued by such
12 entity are used during the 5-year period fol-
13 lowing such issue for a purpose other than the
14 development, production, or sale of products
15 using nanotechnology, or

16 “(B) such entity no longer meets the re-
17 quirements of paragraph (1).

18 “(3) SUBMISSION OF INFORMATION.—The Sec-
19 retary may require any entity certified under para-
20 graph (1) to provide such information as the Sec-
21 retary may require in order ensure compliance with
22 the purposes of this section.

23 “(e) CARRYOVER OF UNUSED CREDIT.—

24 “(1) IN GENERAL.—If the credit amount allow-
25 able under subsection (a) for a taxable year exceeds

1 the amount of the limitation under subsection (h)
2 for such taxable year, such excess shall be allowed
3 as a credit carryforward for each of the 20 taxable
4 years following the unused credit year.

5 “(2) RULES.—Rules similar to the rules of sec-
6 tion 39 shall apply with respect to the credit
7 carryforward under paragraph (1).

8 “(f) RECAPTURE OF CREDIT.—If—

9 “(1) the taxpayer fails to hold qualified
10 nanotechnology developer stock for the 7-year period
11 beginning on the date such stock was purchased by
12 the taxpayer, or

13 “(2) during such 7-year period, the issuer of
14 such stock ceases to be a qualified nanotechnology
15 developer,

16 then notwithstanding any other provision of this subtitle,
17 the tax imposed by this chapter on the taxpayer for the
18 taxable year beginning in the calendar year in which such
19 cessation occurred shall be increased by the aggregate
20 amount of credit allowed under subsection (a) to the tax-
21 payer with respect to such stock.

22 “(g) SPECIAL RULE.—For purposes of this section,
23 rules similar to the rules of section 1202(c)(3) shall apply.

1 “(h) BASIS ADJUSTMENTS.—For purposes of this
2 subtitle, if a credit is allowed under this section for the
3 purchase of any stock—

4 “(1) the increase in the basis of such stock
5 which would (but for this subsection) result from
6 such purchase shall be reduced by the amount of the
7 credit so allowed, and

8 “(2) the basis of such stock shall be increased
9 by the amount of any increase in tax by reason of
10 subsection (f).”.

11 (b) CONFORMING AMENDMENT.—Subsection (a) of
12 section 1016 of such Code is amended by striking “and”
13 at the end of paragraph (36), by striking the period at
14 the end of paragraph (37) and inserting “; and”, and by
15 adding at the end the following new paragraph:

16 “(38) to the extent provided in section 54A(h),
17 in the case of amounts with respect to which a credit
18 has been allowed under section 54A or a recapture
19 imposed under section 54A(f).”.

20 (c) CLERICAL AMENDMENT.—The table of subparts
21 for part IV is amended by adding at the end the following
22 new item:

“SUBPART I. NANOTECHNOLOGY DEVELOPMENT CREDIT”.

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to amounts paid after December
25 31, 2005.

1 **SEC. 103. NANOTECHNOLOGY ASSISTANCE.**

2 (a) DEFINITIONS.—In this section:

3 (1) COMMERCIALIZATION.—The term “commer-
4 cialization” means the process of converting
5 nanotechnology research into products and processes
6 that are used in the marketplace.

7 (2) DEGREE-GRANTING INSTITUTION.—The
8 term “degree-granting institution” means an institu-
9 tion of higher education, as defined in section 101
10 of the Higher Education Act of 1965 (20 U.S.C.
11 1001), that awards an associate or baccalaureate de-
12 gree.

13 (3) INCUBATOR.—The term “incubator” means
14 an entity affiliated with or housed in a degree-grant-
15 ing institution that provides space and coordinated
16 and specialized services to entrepreneurial businesses
17 that work in the field of nanotechnology commer-
18 cialization and that meets selected criteria during
19 the businesses’ startup phase, including providing
20 services such as shared office space and services, ac-
21 cess to equipment, access to telecommunications and
22 technology services, flexible leases, specialized man-
23 agement assistance, access to financing, and other
24 coordinated business or technical support services.

25 (4) NANOTECHNOLOGY.—The term “nanotech-
26 nology” means the science of understanding and ma-

1 nipulating matter on an atomic or molecular scale,
2 generally to create structures, and usually at a size
3 smaller than 100 nanometers.

4 (5) SECRETARY.—The term “Secretary” means
5 the Secretary of Commerce.

6 (b) GRANTS AUTHORIZED.—

7 (1) IN GENERAL.—The Secretary is authorized
8 to establish within the Technology Administration of
9 the Department of Commerce a grant program to
10 support the establishment and development of incu-
11 bators.

12 (2) ALLOCATION OF FUNDS.—From the
13 amount appropriated pursuant to the authorization
14 of appropriations in subsection (e) for a fiscal year,
15 the Secretary—

16 (A) shall use 80 percent of such amount
17 to—

18 (i) make awards, on a competitive
19 basis, in amounts of up to \$2,500,000, to
20 help acquire or renovate space for incuba-
21 tors; and

22 (ii) make awards, on a competitive
23 basis, in amounts of \$50,000 to \$150,000,
24 for—

- 1 (I) developing curricula related to
2 nanotechnology;
- 3 (II) providing services for com-
4 mercialization, including preparing
5 providing services to appropriate busi-
6 nesses including corporate charters,
7 partnership agreements, and basic
8 contracts, assistance with patents,
9 trademarks, and copyrights, and tech-
10 nology acquisition services; or
- 11 (III) providing programming for
12 entrepreneurs working in nano-
13 technology housed in an incubator;
- 14 (B) shall reserve 10 percent of the amount
15 to make awards, on a competitive basis, in
16 amounts of \$50,000 to \$150,000, for feasibility
17 studies for determining the need for or siting of
18 incubators; and
- 19 (C) shall reserve 10 percent for research
20 regarding best practices for incubator pro-
21 grams, including the development of a
22 benchmarking system based on uniform meas-
23 ures, and for dissemination of information re-
24 garding such practices.

1 (3) CONTRACTS.—The Secretary is authorized
2 to contract with organizations with expertise in incu-
3 bation practices for the purposes of carrying out
4 paragraph (2)(C).

5 (4) USES OF FUNDS.—Funds awarded under
6 paragraph (2)(A)(ii) may be used for—

7 (A) curriculum, training, or technical as-
8 sistance related to nanotechnology developed by
9 academic faculty with participation from entre-
10 preneurship experts;

11 (B) programming that contributes to a co-
12 ordinated set of business assistance tools, such
13 as developing management teams, providing
14 workforce development, forming strategic alli-
15 ances, developing capital formation networks,
16 and developing customized plans for commer-
17 cialization; and

18 (C) hiring staff to coordinate the activities
19 described in subparagraph (A) or (B) or for
20 curriculum development.

21 (5) RECIPIENTS.—The Secretary shall make an
22 award—

23 (A) described in paragraph (2)(A) to a
24 nonprofit entity that has a strong affiliation
25 with a degree-granting institution and manages

1 or provides technical assistance to the degree-
2 granting institution's affiliated incubator, or if
3 no nonprofit entity manages or provides tech-
4 nical assistance to the incubator, to the degree-
5 granting institution managing the incubator;
6 and

7 (B) described in paragraph (2)(B) to a de-
8 gree-granting institution.

9 (6) APPLICATIONS.—Each entity desiring as-
10 sistance under this section shall submit an applica-
11 tion to the Secretary at such time, in such manner,
12 and accompanied by such information as the Sec-
13 retary may require.

14 (7) SELECTION.—

15 (A) PRIORITY.—The Secretary shall give
16 priority to funding applications under this sub-
17 section for activities that—

18 (i) will be carried out at a facility that
19 is included in the Centers and Networks of
20 Excellence of the research and development
21 program known as the National Nano-
22 technology Initiative;

23 (ii) provide strong educational oppor-
24 tunities to students in fields related to
25 nanotechnology and commercialization; and

1 (iii) require significant collaboration
2 between businesses and academia.

3 (B) CONSIDERATION.—The Secretary may
4 give consideration to funding applications under
5 this subsection that support—

6 (i) the building of new incubators;

7 (ii) incubators that work with faculty
8 entrepreneurs or university-based research;

9 (iii) incubators that are located in
10 areas with an established venture capital
11 industry and other industry support, in-
12 cluding leadership and legal support, for
13 commercialization; or

14 (iv) incubators that have secured ad-
15 ditional private funding.

16 (c) NANOTECHNOLOGY STARTUP ADVISORY COUN-
17 CIL.—

18 (1) ESTABLISHMENT.—The Secretary shall es-
19 tablish a Nanotechnology Startup Advisory Council
20 composed of industry leaders, business and mar-
21 keting professionals, venture capitalists, attorneys,
22 and nanotechnology researchers.

23 (2) PURPOSE.—The purpose of the Nano-
24 technology Start-up Advisory Council is to ensure

1 that emerging nanotechnology companies create a
2 sound foundation for new business.

3 (d) REPORT.—Not later than September 30 of the
4 third fiscal year during which assistance is provided under
5 this section, the Secretary shall prepare and submit to
6 Congress a report that—

7 (1) describes the most effective or innovative
8 additions to curricula related to nanotechnology that
9 were developed with such assistance; and

10 (2) contains a comparison of the success of
11 nanotechnology companies developed in incubators
12 that received such assistance with the success of
13 other nanotechnology companies;

14 (3) describes any factors leading to success of
15 companies that were developed in incubators;

16 (4) recommends the best role for degree-grant-
17 ing institutions in commercialization; and

18 (5) contains a comparison of academic-affiliated
19 incubators of specific missions and ages that re-
20 ceived assistance under this section with other incu-
21 bators with similar missions and ages.

22 (e) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated to carry out this section
24 \$25,000,000 for each of the fiscal years 2008, 2009, and
25 2010.

1 **TITLE II—RESEARCH AND**
2 **DEVELOPMENT DIRECTIONS**

3 **SEC. 201. NANOSCALE SCIENCE AND ENGINEERING CEN-**
4 **TER.**

5 Section 9 of the 21st Century Nanotechnology Re-
6 search and Development Act (15 U.S.C. 7508) is amend-
7 ed—

8 (1) by redesignating subsection (c) as sub-
9 section (d); and

10 (2) by inserting after subsection (b) the fol-
11 lowing new subsection:

12 “(c) NANOSCALE SCIENCE AND ENGINEERING CEN-
13 TER.—

14 “(1) ESTABLISHMENT.—The National Science
15 Foundation shall provide for the establishment, on a
16 merit reviewed and competitive basis, of a center for
17 the development of computer aided design tools for
18 nanotechnology applications.

19 “(2) AUTHORIZATION OF APPROPRIATIONS.—
20 There are authorized to be appropriated to the Na-
21 tional Science Foundation for carrying out this sub-
22 section \$10,000,000.”.

23 **SEC. 202. FEDERAL PROGRAMS.**

24 The 21st Century Nanotechnology Research and De-
25 velopment Act (15 U.S.C. 7501 et seq.) is amended—

1 (1) by redesignating sections 9 and 10 as sec-
2 tions 12 and 13, respectively;

3 (2) in section 8, by adding at the end the fol-
4 lowing new subsection:

5 “(c) RESEARCH PROGRAM.—

6 “(1) ESTABLISHMENT.—The Secretary of En-
7 ergy shall provide for the establishment, on a merit
8 reviewed and competitive basis, of a grant program
9 for nanotechnology research to address the need for
10 clean, cheap, renewable energy.

11 “(2) AUTHORIZATION OF APPROPRIATIONS.—

12 There are authorized to be appropriated to the Sec-
13 retary of Energy for carrying out this subsection
14 \$30,000,000 for each fiscal year.”; and

15 (3) by inserting after section 8 the following
16 new sections:

17 **“SEC. 9. ENVIRONMENTAL PROTECTION AGENCY PRO-**
18 **GRAMS.**

19 “(a) ESTABLISHMENT.—The Administrator of the
20 Environmental Protection Agency shall provide for the es-
21 tablishment, on a merit reviewed and competitive basis,
22 of a grant program for nanotechnology research to address
23 technologies for the remediation of pollution and other en-
24 vironmental protection technologies.

1 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Administrator of
3 the Environmental Protection Agency for carrying out this
4 section \$30,000,000 for each fiscal year.

5 **“SEC. 10. DEPARTMENT OF HOMELAND SECURITY PRO-**
6 **GRAMS.**

7 “(a) ESTABLISHMENT.—The Secretary of Homeland
8 Security shall provide for the establishment, on a merit
9 reviewed and competitive basis, of a grant program for
10 nanotechnology research to address the need for sensors
11 and other materials related to homeland security needs.

12 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to the Secretary of
14 Homeland Security for carrying out this section
15 \$30,000,000 for each fiscal year.

16 **“SEC. 11. DEPARTMENT OF HEALTH AND HUMAN SERVICES**
17 **PROGRAMS.**

18 “(a) ESTABLISHMENT.—The Secretary of Health
19 and Human Services shall provide for the establishment,
20 on a merit reviewed and competitive basis, of a grant pro-
21 gram for nanotechnology research to address the health
22 related applications of nanotechnology.

23 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated to the Secretary of

1 Health and Human Services for carrying out this section
2 \$30,000,000 for each fiscal year.”.

3 **TITLE III—ENVIRONMENTAL**
4 **NANOTECHNOLOGY APPLICA-**
5 **TIONS**

6 **SEC. 301. NANOTECHNOLOGY RESEARCH STRATEGY.**

7 Not later than 1 year after the date of enactment
8 of this Act, the Director of the National Nanotechnology
9 Coordination Office shall, after consultation with appro-
10 priate Federal agencies and industry, transmit to the Con-
11 gress a report containing a nanotechnology research strat-
12 egy that establishes priorities for the Federal Government
13 and industry that will ensure the development and respon-
14 sible stewardship of nanotechnology. The report shall in-
15 clude recommendations regarding the funding levels the
16 Director anticipates the agencies charged with imple-
17 menting this research strategy will require.

18 **TITLE IV—EDUCATION**

19 **SEC. 401. CREDIT FOR NANOTECHNOLOGY EDUCATION AND**
20 **TRAINING PROGRAM EXPENSES.**

21 (a) IN GENERAL.—Subpart B of part IV of sub-
22 chapter A of chapter 1 of the Internal Revenue Code of
23 1986 is amended by adding at the end the following:

1 **“SEC. 30D. NANOTECHNOLOGY EDUCATION AND TRAINING**
2 **PROGRAM EXPENSES.**

3 “(a) ALLOWANCE OF CREDIT.—

4 “(1) IN GENERAL.—There shall be allowed as a
5 credit against the tax imposed by this chapter for
6 the taxable year an amount equal to 50 percent of
7 nanotechnology education and training program ex-
8 penses paid or incurred by the taxpayer for the ben-
9 efit of—

10 “(A) in the case of a taxpayer engaged in
11 a trade or business, an employee of the tax-
12 payer, or

13 “(B) in the case of a taxpayer who is an
14 individual not so engaged, such individual.

15 “(2) COORDINATION OF CREDITS.—Credit shall
16 be allowable to the employer with respect to an em-
17 ployee only to the extent that the employee assigns
18 some or all of the limitation applicable to such em-
19 ployee under subsection (b) to such employer.

20 “(b) LIMITATIONS.—

21 “(1) IN GENERAL.—The amount of expenses
22 with respect to any individual which may be taken
23 into account under subsection (a) for the taxable
24 year shall not exceed \$4,000.

25 “(2) INCREASE IN CREDIT AMOUNT FOR PAR-
26 TICIPATION IN CERTAIN PROGRAMS AND FOR CER-

1 TAIN INDIVIDUALS.—Paragraph (1) shall be applied
2 by substituting ‘\$5,000’ for ‘\$4,000’ in the case of
3 expenses—

4 “(A) with respect to a program operated—

5 “(i) in an empowerment zone or en-
6 terprise community designated under part
7 I of subchapter U or a renewal community
8 designated under part I of subchapter X,

9 “(ii) in a school district in which at
10 least 50 percent of the students attending
11 schools in such district are eligible for free
12 or reduced-cost lunches under the school
13 lunch program established under the Rich-
14 ard B. Russell National School Lunch Act,

15 “(iii) in an area designated as a dis-
16 aster area by the Secretary of Agriculture
17 under section 321 of the Consolidated
18 Farm and Rural Development Act or by
19 the President under the Robert T. Stafford
20 Disaster Relief and Emergency Assistance
21 Act in the taxable year or the 4 preceding
22 taxable years,

23 “(iv) in a rural enterprise community
24 designated under section 766 of the Agri-
25 culture, Rural Development, Food and

1 Drug Administration, and Related Agen-
2 cies Appropriations Act, 1999 (112 Stat.
3 2681–37),

4 “(v) in an area designated by the Sec-
5 retary of Agriculture as a Rural Economic
6 Area Partnership Zone,

7 “(vi) in an area over which an Indian
8 tribal government (as defined in section
9 7701(a)(40)) has jurisdiction, or

10 “(vii) by an employer who has 200 or
11 fewer employees for each business day in
12 each of 20 or more calendar weeks in the
13 current or preceding calendar year, or

14 “(B) in the case of an individual with a
15 disability.

16 “(c) NANOTECHNOLOGY EDUCATION AND TRAINING
17 PROGRAM EXPENSES.—For purposes of this section—

18 “(1) IN GENERAL.—The term ‘nanotechnology
19 education and training program expenses’ means ex-
20 penses paid or incurred by reason of the partici-
21 pation of the taxpayer (or any employee of the tax-
22 payer) in any nanotechnology education and training
23 program. Such expenses shall include expenses paid
24 in connection with—

25 “(A) course work,

1 “(B) certification testing,

2 “(C) programs carried out under the Act
3 of August 16, 1937 (50 Stat. 664, chapter 663;
4 29 U.S.C. 50 et seq.) which are registered by
5 the Department of Labor, and

6 “(D) other expenses that are essential to
7 assessing skill acquisition.

8 “(2) NANOTECHNOLOGY EDUCATION AND
9 TRAINING PROGRAM.—The term ‘nanotechnology
10 education and training program’ means a training
11 program in nanotechnology workplace disciplines or
12 other skill sets which is provided in the United
13 States by an accredited college, university, private
14 career school, postsecondary educational institution,
15 a commercial nanotechnology provider, or an em-
16 ployer-owned nanotechnology training organization.

17 “(3) COMMERCIAL NANOTECHNOLOGY TRAIN-
18 ING PROVIDER.—The term ‘commercial nanotech-
19 nology training provider’ means a private sector or-
20 ganization providing an nanotechnology education
21 and training program.

22 “(4) EMPLOYER-OWNED NANOTECHNOLOGY
23 TRAINING ORGANIZATION.—The term ‘employer-
24 owned nanotechnology training organization’ means
25 a private sector organization that provides

1 nanotechnology training to its employees using inter-
2 nal training development and delivery personnel. The
3 training programs must use industry-recognized
4 training disciplines and evaluation methods, com-
5 parable to institutional and commercial training pro-
6 viders.

7 “(d) DENIAL OF DOUBLE BENEFIT.—

8 “(1) DISALLOWANCE OF OTHER CREDITS AND
9 DEDUCTIONS.—No deduction or credit shall be al-
10 lowed under any other provision of this chapter for
11 expenses taken into account in determining the cred-
12 it under this section.

13 “(2) REDUCTION FOR HOPE AND LIFETIME
14 LEARNING CREDITS.—The amount taken into ac-
15 count under subsection (a) shall be reduced by the
16 nanotechnology education and training program ex-
17 penses taken into account in determining the credits
18 under section 25A.

19 “(e) CERTAIN RULES MADE APPLICABLE.—For pur-
20 poses of this section, rules similar to the rules of section
21 45A(e)(2) and subsections (c), (d), and (e) of section 52
22 shall apply.

23 “(f) APPLICATION WITH OTHER CREDITS.—The
24 credit allowed by subsection (a) for any taxable year shall
25 not exceed the excess (if any) of—

1 “(1) the regular tax for the taxable year re-
 2 duced by the sum of the credits allowable under the
 3 subpart A and the previous sections of this subpart,
 4 over

5 “(2) the tentative minimum tax for the taxable
 6 year.”.

7 (b) CLERICAL AMENDMENT.—The table of sections
 8 for subpart B of part IV of subchapter A of chapter 1
 9 of the Internal Revenue Code of 1986 is amended by add-
 10 ing at the end the following:

“Sec. 30D. Nanotechnology education and training program expenses.”.

11 (c) EFFECTIVE DATE.—The amendments made by
 12 this section shall apply to amounts paid or incurred in tax-
 13 able years beginning after December 31, 2006.

14 **SEC. 402. ELIGIBLE EDUCATIONAL INSTITUTION.**

15 (a) IN GENERAL.—Section 25A(f)(2) of the Internal
 16 Revenue Code of 1986 (relating to eligible educational in-
 17 stitution) is amended to read as follows:

18 “(2) ELIGIBLE EDUCATIONAL INSTITUTION.—

19 The term ‘eligible educational institution’ means—

20 “(A) an institution—

21 “(i) which is described in section
 22 101(b) or 102(a) of the Higher Education
 23 Act of 1965, and

24 “(ii) which is eligible to participate in
 25 a program under title IV of such Act, or

1 “(B) a commercial nanotechnology training
2 provider (as defined in section 30D(c)(3)).”.

3 (b) CONFORMING AMENDMENT.—The second sen-
4 tence of section 221(d)(2) of the Internal Revenue Code
5 of 1986 is amended by striking “section 25A(f)(2)” and
6 inserting “section 25A(f)(2)(A)”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2006.

10 **SEC. 403. CURRICULUM DEVELOPMENT PROGRAM.**

11 (a) ESTABLISHMENT.—The National Science Foun-
12 dation shall provide for the establishment, on a merit re-
13 viewed and competitive basis, of a grant program for the
14 development of curriculum materials for interdisciplinary
15 nanotechnology courses at institutions of higher education.

16 (b) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated to the National Science
18 Foundation for carrying out this section \$15,000,000 for
19 each of the fiscal years 2008 through 2011.

20 **SEC. 404. TRAINING PARTNERSHIPS.**

21 The National Science Foundation, through its Ad-
22 vanced Technological Education program, shall establish
23 a program to encourage manufacturing companies to enter
24 into partnerships with occupational training centers for

1 the development of training to support nanotechnology
2 manufacturing.

3 **TITLE V—PUBLIC OUTREACH**

4 **SEC. 501. INTERACTION BETWEEN SCIENTISTS AND ENGI-**
5 **NEERS.**

6 Not later than 6 months after the date of enactment
7 of this Act, the Secretary of Energy shall transmit to the
8 Congress a report containing a strategy for increasing
9 interaction on nanotechnology issues between scientists
10 and engineers at the Department of Energy's National
11 Laboratories and in the informal science education com-
12 munity, to enable researchers to use their expertise to as-
13 sist in the development of appropriate nanotechnology ex-
14 hibitions for school age children and the general public.

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