THE SHORT LINE TAX CREDIT: PERMANENCY NEEDED NOW

THE SHORT LINE CONNECTION: A CRITICAL PIECE OF THE U.S. FREIGHT RAIL SYSTEM

Comprised of 603 small business railroads, the short line rail industry was created by entrepreneurs who took large financial risks to save marginal or money-losing Class I railroad branch lines from abandonment.

First & Last mile of service
for 1 in 5 cars moving throughout the system each year.

For large areas of rural and small-town America, the short line rail industry provides the only way shippers can be directly connected to the national economy, while ensuring business and employment stay local.

CONGRESS MUST EXTEND OR MAKE PERMANENT THE EXPIRED SHORT LINE TAX CREDIT TO ENSURE THAT THE PUBLIC SAFETY AND ECONOMIC BENEFITS OF THIS SUCCESSFUL POLICY CONTINUES INTO 2019 AND BEYOND.

THE SHORT LINE NEED

Short line railroads face massive demands for infrastructure investment due to decades of deferred maintenance by prior owners. Short lines annually invest 25-33% of their revenues in maintenance, track and bridge improvements.

THE SOLUTION: THE SHORT LINE TAX CREDIT

Expired since December 2017, the Short Line Tax Credit allows a credit of 50 cents for each dollar railroads invest in track and bridge improvements, capped at $3,500 per mile. The Credit has spurred $4B in infrastructure investment since 2005 – investment that would not have been possible without the Credit.

The Credit creates the financial ability to invest more revenues into short line infrastructure. Studies have shown that the Credit’s incentive could drive an infrastructure investment increase of 47%.*

PROVEN SAFETY BENEFIT

- Short line infrastructure investment, upgrading rails and bridges to the modern requirements of 286,000-lb. capacity rail, has ensured that railroads continue to be the safest form of transportation.

- Federal Railway Administration data show a 50% reduction in train derailments on short line railroads since the Credit first went into effect.

- Short line rail infrastructure improvements ensure better service to agricultural, energy and industrial customers AND keep 31.8 million heavy truckloads off local roads annually.


PROVEN ECONOMIC BENEFIT

- Short line railroads and their suppliers support more than 61,000 jobs in the U.S. - many in rural America - and add $6.5 billion annually to the U.S. economy.*

- Across the country, there are 478,000 jobs at customer locations that require short line services, driving $26.1 billion in labor income and $56.2 billion in economic value-add.*

- Short line freight service saves taxpayers more than $1.5 billion annually in wear and tear on roadways.

- Since 2005 the Credit has enabled thousands of projects annually, upgrading short line routes to handle modern freight cars for more efficient shipper service.

EXAMPLES OF PROJECTS COMPLETED AS A RESULT OF THE SHORT LINE TAX CREDIT

THE SHORT LINE TAX CREDIT IS GOOD PUBLIC POLICY WITH WIDESPREAD SUPPORT

- Selected as the ONLY tax credit to be recommended for permanency by House Ways & Means Committee in 2018
- Supported by bipartisan majorities in the 115th Congress - both House (262 co-sponsors) and Senate (56 co-sponsors)
- Supported by AASHTO, UTU SMART, AAPA, Farm Bureau and STB Railroad-Shipper Transportation Advisory Council
- Supported by 600 customers representing nearly 1,700 locations – visit www.savingourservice.org

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ADD YOUR NAME IN SUPPORT OF COMPETITIVE SERVICE TO 10,000 SHIPPERS ACROSS THE COUNTRY!

To co-sponsor the 2019 Short Line Tax Credit bills, making the Credit permanent, contact:

HR. 510:
Jon.Bosworth@mail.house.gov, 225-4811

Lori Prater – Rep. Mike Kelly (R-PA)
Lori.Prater@mail.house.gov, 225-5406

S. 203:
Andrew Earl – Senator Mike Crapo (R-ID)
Andrew_Earl@crapo.senate.gov, 224-6142

Christopher Arneson – Senator Ron Wyden (D-OR)
Christopher_Arneson@finance.senate.gov, 224-0535

“The railroad provides access to additional markets, reduces cost, reduces highway investment and repair and improves prices farmers receive. Access to efficient and responsive rail service is essential for the economic well-being of agricultural and rural areas.”

Jim Magnusen, General Manager, Key Cooperative

“Wheeler Lumber supplies bridge timbers to the short line railroads. It takes many years of planning to rehab or construct a bridge. Without the permanency of the short line credit, railroads cannot invest in projects with the uncertainty of available funding.”

David Koch II, Sales Manager, Wheeler Lumber

“We work in economic development and short lines are vital to the success of our manufacturing sector’s future.”

Mark Nolte, President, Iowa City Area Development (ICAD)

“Shipping by rail is more economical for us, and for our customer.”

Roger Zaabel, Vice President, Gralnek-Dunitz Co., Inc.