WASHINGTON, D.C. – February 9, 2018 – The American Short Line and Regional Railroad Association (ASLRRA) applauds Congressional action that extends the Railroad Track Maintenance ‘45G’ tax credit retroactively through December 31, 2017 as part of the Bipartisan Budget Act of 2018, signed into law by President Trump.

“The Short Line Tax Credit (45G) extension benefits the 10,000 short line railroad shippers across the country,” said Linda Bauer Darr, President, ASLRRA. “The continuation of this credit is good public policy, allowing our industry to do its share toward improving the nation’s infrastructure by incentivizing railroads to increase their capital investment. The extension will allow short lines to continue their success story serving rural, industrial, and agricultural America.”

The tax credit has assisted the nation’s short line railroads in upgrading their track and bridges to handle modern freight cars. Under the terms of the credit a short line railroad must invest one dollar for every 50 cents in credit, up to a credit cap equivalent to $3,500 per mile of track. The credit allows the short line rail industry to invest more of their own revenue to make rail transport safer and more efficient for customers across the country,
many of whom would be cut off from the national freight rail network if not for short line railroad service.

“A real thanks goes to our 56 Senators and 251 Representatives that have formally supported continuation of the Short Line Tax Credit over the year. This great bipartisan group of members of Congress from across our country understand how important this credit is to their communities back home,” stated Jerry Vest, Chairman of ASLRRA’s Legislative Policy Committee. “They, along with a diverse group of stakeholders like the American Association of State Highway and Transportation Officials and Saving Our Service, a nationwide group of short line rail freight customers, have all publicly stated how important this credit is to areas of our country that need more investment in freight infrastructure.”

Since its implementation in 2005, the tax credit has enabled short line and regional railroads to invest more than $4 billion of their capital into rail infrastructure, much of which was inherited in disrepair as spinoffs from Class 1 railroads after partial rail economic deregulation in the 1980s.

“The Short Line Tax Credit has enabled our industry to make significant progress on upgrading and improving track, but there is much more work to be done including repairing aging bridges,” said Judy Petry, ASLRRA Chairman. “The credit drives economic and employment growth beyond simply the railroads - investing in better track spurs new investment by railroad customers, and railroad rehabilitation creates skilled jobs, particularly in rural locations.”

The short line railroad industry has called for permanence of the 45G tax credit via the Building Rail Access for Customers and the Economy (BRACE) Act, introduced in early 2017. The Act has broad bi-partisan support in Congress, and has achieved 250 co-sponsors in the House of Representatives (H.R. 721) and 55 co-sponsors in the Senate (S. 407).

“The work to extend this credit into 2018 and beyond begins now. We look forward to working with Congress and making our case,” said Darr.
About ASLRA - The American Short Line and Regional Railroad Association (ASLRA) is a non-profit trade association representing the interests of the nation’s 603 short line and regional railroads and railroad supply company members in legislative and regulatory matters. Short lines operate 47,500 miles of track in 49 states, or approximately 29% of the national railroad network, touching in origination or termination one out of every five cars moving on the national railroad system, serving customers who otherwise would be cut off from the national railroad network.