ASLRA URGES CONGRESS TO ACT NOW ON SHORT LINE TAX CREDIT

H.R. 510, the BRACE Act, Reaches a Majority in the House with 219 Cosponsors

WASHINGTON – June 11, 2019 – The time is now, say the 1,000 railroad and supplier members of the American Short Line and Regional Railroad Association (ASLRA), for Congress to act on the Short Line 45G tax credit, expired since December 2017. The Building Rail Access for Customers and the Economy Act (BRACE), H.R. 510 which calls for permanence of the railroad maintenance tax credit, has now reached a tipping point as it has recorded a majority of the House as cosponsors as of today, with 219 Representatives signing onto the bill – and the support is remarkably bipartisan, with 111 Democrats and 108 Republicans. Its companion bill S. 203 is similarly supported by both parties in the Senate, with 45 Senate cosponsors.

"Congress is once again on-record in supporting the tax credit for rehabilitation of short line railroads, as they have been in every Congress since the 109th," said Chuck Baker, President of ASLRA. "This tax credit is public policy that works, enabling more than $4B of private investment since its inception in 2005. Short lines provide the critical first and last mile from farms, energy facilities, and factories to domestic and international suppliers and customers – particularly in rural and small-town America. More than 478,000 blue collar jobs for working Americans throughout the country are dependent on short line railroad service. Every month
that the credit is in limbo further delays infrastructure investment and hinders shippers, industry suppliers and railroads from making long-term economic commitments. We urge Congress to act now to ensure that investment and innovation continue."

A majority of members of the House Ways and Means Committee are also on-record supporting Short Line Tax Credit permanence, with 22 signed on as cosponsors, including 14 of the 25 Democrats on the Committee. It is being reported today that House Ways and Means Chairman Richard Neal is championing a proposal to handle a variety of expiring tax provisions alongside disaster tax relief and the expansion of some individual tax benefits. Such a proposal may be considered in Committee as early as next week.

“Short line railroads have many projects on hold, impacting jobs and growth in the supplier and shipper communities, awaiting the results of Congress’ deliberations. We very much appreciate the leadership of Chairman Neal, Ranking Member Brady, and lead sponsors of H.R. 510 Congressmen Blumenauer and Kelly in continuing to push for action,” said Baker.

The Senate also appears eager to take up this issue, with U.S. Senate Finance Committee Chairman Chuck Grassley of Iowa and Ranking Member Ron Wyden of Oregon forming several bipartisan taskforces to examine temporary tax provisions that expired, or will expire, between December 31, 2017 and December 31, 2019 – a total of 42 provisions including the short line tax credit. A group of short line railroad representatives successfully presented to one of these bipartisan task forces just last week.

When introducing this plan, Grassley said, “It’s past time for Congress to end its bad habit of waiting until the last minute to extend temporary tax policy. This type of tax policy is meant to encourage long-term growth and investment. By definition, that must be done deliberately and ahead of time to be successful. I encourage stakeholders to view this as an opportunity to come to the table and work with us to find long-term solutions. The alternative is continued uncertainty or an even worse outcome. I also hope my colleagues in the House of Representatives will take note that the Senate is willing to work on long-term solutions to temporary tax policy and immediately send us a bill that addresses the provisions that expired
for 2018 so we can deal with the unfairness Congress has caused for so many individuals and industries.”

“Extending tax incentives for a year or two at a time is no way to craft public policy. The Finance Committee’s task forces are working to develop permanent solutions to these vexing tax issues,” Wyden added.

The extension of the Short Line Tax Credit was called for in the Senate when Senators Grassley and Wyden introduced the Tax Extender and Disaster Relief Act of 2019 (S. 617) on February 28, 2019. The legislation would restore the tax provisions that expired at the end of 2017 and 2018 through the balance of this year and provide disaster tax relief benefits to individuals and businesses affected by major disasters occurring in 2018.

For more on the Short Line 45G Tax Credit, visit www.aslrra.org.

About ASLRRRA - The American Short Line and Regional Railroad Association (ASLRRRA) is a non-profit trade association representing the interests of the nation’s 600 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, touching in origination or termination one out of every four cars moving on the national railroad system, serving customers who otherwise would be cut off from the national railroad network.