SHORT LINE TAX CREDIT REACHES HISTORIC LEVELS OF U.S. SENATE SUPPORT

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WASHINGTON, September 10, 2019 – The American Short Line and Regional Railroad Association (ASLRRA) today announced a historic marker on the road to making the Short Line Tax Credit (45G) permanent with sixty members of the Senate now on the record supporting the BRACE Act, S.203. The Short Line Tax Credit, which offers a credit of $.50 for each private dollar spent on freight rail upgrades and maintenance up to a cap of $3,500 per track mile annually, has been renewed six times since 2005, driving more than $4B in private investment, but last expired in December 31, 2017 and currently awaits extension.

“Both Houses of Congress are on record through their co-sponsorships on the need for permanence for the Short Line Tax Credit. The time for action, securing certainty and renewed investment, is now,” said Chuck Baker, President of ASLRRA. “The evidence is clear – this is simply smart public policy that a) allows the short line railroad industry to maximize its own investment in efficient, safe, and environmentally friendly freight transportation, b) is not a single-industry impact, as it affects thousands of companies across America, particularly in rural and small towns, that rely on rail as a reliable and cost-effective option to compete in the national and international economies, and c) benefits employment and growth...
in the railroad supplier community and in the regional economies as more businesses locate because of rail options.”

The 60 sponsorships and co-sponsorships of S.203 in the Senate is a record for the short line tax credit, and 60 is a symbolically important number in the Senate. In the House, the BRACE Act (H.R. 510) has 269 supporters, far in excess of the 218 needed for a majority.

In addition to bi-partisan support of the BRACE Act, Congress has taken multiple actions to renew the Credit, which had been in effect since 2005, and expired December 31, 2017.

In the 116th Congress:

- August 13, 2019 – U.S. Senate Finance Committee Business Cost Recovery Task Force released their report on the evaluation of six tax credits including the Short Line Tax Credit (45G). In their introduction of the report, Task Force Co-Leads Senator Mike Crapo (R-IN) and Senator Ben Cardin (D-MD) stated, “two in particular have proven on their merits to receive a permanent extension – Section 45G and Section 179D.”

- June 20, 2019 – The House Ways and Means Committee passed the “Taxpayer Certainty and Disaster Tax Relief Act of 2019” (H.R. 3301), which would extend a variety of tax provisions, including the short line 45G tax credit, from 2018 through 2020.

- February 28, 2019 - the “Tax Extender and Disaster Relief Act of 2019” (S. 617), was introduced by Senators Chuck Grassley (R-IA) and Ron Wyden (D-OR), Chairman and Ranking Member of the Senate Finance Committee. Section 109 of the bill provides for the extension of Short Line Tax Credit (sec. 45G) from 2018 through 2019.

For more on the Tax Credit and its benefits, visit [www.aslrra.org](http://www.aslrra.org).

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About ASLRRA - The American Short Line and Regional Railroad Association (ASLRRA) 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. [www.aslrra.org](http://www.aslrra.org)