

SENATE RESOLUTION No. 144

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 30, 2019

Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator THOMAS H. KEAN, JR.

District 21 (Morris, Somerset and Union)

SYNOPSIS

Urges US Congress to permanently extend federal tax credit for railroad track maintenance.

CURRENT VERSION OF TEXT

As introduced.



1 **A SENATE RESOLUTION** respectfully urging the United States
2 Congress to permanently extend the federal tax credit for railroad
3 track maintenance undertaken by certain railroads.

4
5 **WHEREAS**, Under federal tax law, certain eligible taxpayers, including
6 Class II and Class III railroads, which include short line railroads,
7 are eligible for a tax credit for qualified railroad track maintenance
8 expenditures paid or incurred during certain taxable years; and

9 **WHEREAS**, A person who transports property using Class II or Class
10 III railroad facilities or who furnishes railroad-related property or
11 services to a Class II or Class III railroad is eligible for the railroad
12 track maintenance tax credit, but only for those miles of railroad
13 track assigned to the person by the Class II or Class III railroad for
14 certain purposes; and

15 **WHEREAS**, Under this federal law, qualified railroad track
16 maintenance expenditures means, in part, gross expenditures for
17 maintaining railroad track, including roadbeds, bridges, and related
18 track structures; and

19 **WHEREAS**, According to the Surface Transportation Board, a Class II
20 railroad has annual operating revenues of less than \$447,621,226,
21 but in excess of \$35,809,698, and a Class III railroad has annual
22 operating revenues of \$35,809,698 or less; and

23 **WHEREAS**, Bills have been introduced in the United States Senate and
24 the United States House of Representatives, S. 203 and H.R. 510
25 respectively, to permanently extend the tax credit for railroad track
26 maintenance, which would apply to expenditures paid or incurred
27 during tax years beginning after 2017; and

28 **WHEREAS**, Approximately one Class II railroad and seven Class III
29 railroads operate in New Jersey; and

30 **WHEREAS**, These railroads provide local businesses and shippers with
31 vital access to the national rail network and, by extension, to
32 national and global economies; and

33 **WHEREAS**, The railroad track maintenance tax credit encourages Class
34 II and Class III railroads, including short line railroads, to invest
35 their revenues into railroad infrastructure, which, in turn, increases
36 efficiency, supports jobs, and improves safety; and

37 **WHEREAS**, It is important that this tax credit be permanently extended
38 to ensure a safe and reliable rail network in the State of New Jersey
39 and throughout the nation; now, therefore,

40
41 **BE IT RESOLVED** *by the Senate of the State of New Jersey:*

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43 1. This House respectfully urges the United States Congress to
44 pass legislation, currently pending before the United States Senate
45 as S. 203 and before the United States House of Representatives as
46 H.R. 510, to permanently extend the federal tax credit for railroad
47 track maintenance for Class II and Class III railroads.

SR144 DIEGNAN, T.KEAN

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2. Copies of this resolution, as filed with the Secretary of State, shall be transmitted by the Secretary of the Senate to the Majority and Minority Leaders of the United States Senate, the Speaker and Minority Leader of the United States House of Representatives, the sponsor of S. 203, the sponsor of H.R. 510, the Chairman of the United States Senate Committee on Finance, the Chairman of the United States House of Representatives Committee on Ways and Means, and every member of Congress elected from this State.

STATEMENT

13 This resolution respectfully urges the United States Congress to
14 permanently extend the federal tax credit for railroad track
15 maintenance in order to ensure a safe and reliable rail network by
16 encouraging Class II and Class III railroads, including short line
17 railroads, to invest their revenues into railroad infrastructure.