

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009
4
5 By: Senator G. Jeffress
6
7

A Bill

SENATE BILL 640

For An Act To Be Entitled

9 AN ACT TO CREATE THE RAILROAD MODERNIZATION ACT
10 OF 2009; TO ESTABLISH AN INCOME TAX CREDIT FOR
11 QUALIFIED RAILROAD RECONSTRUCTION OR REPLACEMENT
12 EXPENDITURES; AND FOR OTHER PURPOSES.

Subtitle

15 TO CREATE THE RAILROAD MODERNIZATION ACT
16 OF 2009; AND TO ESTABLISH AN INCOME TAX
17 CREDIT FOR QUALIFIED RAILROAD
18 RECONSTRUCTION OR REPLACEMENT
19 EXPENDITURES.
20
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5 is amended
25 to add an additional section to read as follows:

26 26-51-513. Railroad Modernization Act.

27 (a) This section shall be known as the "Railroad Modernization Act of
28 2009".

29 (b) As used in this section:

30 (1) "Class II or Class III railroad" means a railroad that is
31 classified by the United States Surface Transportation Board as a Class II or
32 Class III railroad;

33 (2) "Eligible taxpayer" means a Class II or Class III railroad;
34 and

35 (3) "Qualified railroad reconstruction or replacement
36 expenditures" means expenditures for reconstruction or replacement of



1 railroad infrastructure, including without limitation track, roadbed,
2 bridges, industrial leads, and track-related structures owned or leased by a
3 Class II or Class III railroad as of January 1, 2009.

4 (c)(1) A tax credit is allowed against the income tax imposed by the
5 Income Tax Act of 1929, § 26-51-101 et seq. in an amount equal to fifty
6 percent (50%) of an eligible taxpayer's qualified railroad reconstruction or
7 replacement expenditures.

8 (2) The amount of the tax credit under this section for a tax
9 year shall not exceed the total of two thousand dollars (\$2,000) multiplied
10 by the number of miles of railroad track owned or leased within the state by
11 the eligible taxpayer at the close of the tax year.

12 (3) An unused tax credit under this section within a tax year
13 may be carried forward for five (5) consecutive tax years following the tax
14 year that the tax credit under this section was earned.

15 (d)(1) An eligible taxpayer that has earned a tax credit under this
16 section may transfer the tax credit under this section by a written tax credit
17 transfer agreement to an eligible taxpayer transferee.

18 (2) The tax credit under this section may be transferred within
19 the five (5) consecutive tax years following the tax year that the tax credit
20 under this section was earned.

21 (3)(A) The eligible taxpayer and the eligible taxpayer
22 transferee shall jointly file a copy of the written tax credit transfer
23 agreement with the Director of the Department of Finance and Administration
24 within thirty (30) days of the transfer of the tax credit under this section.

25 (B) The written tax credit transfer agreement shall
26 include:

27 (i) The name of the parties to the transfer;

28 (ii) The amount of the tax credit under this section
29 transferred;

30 (iii) The tax year that the tax credit under this
31 section was originally earned by the eligible taxpayer; and

32 (iv) The tax year or tax years in which the tax
33 credit under this section may be claimed.

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35 SECTION 2. Effective date. This act is effective for tax years
36 beginning on or after January 1, 2009.