

1 SB190
2 126897-1
3 By Senator Allen
4 RFD: Commerce, Transportation, and Utilities
5 First Read: 09-MAR-11

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8 SYNOPSIS: This bill would provide a credit with
9 respect to the license tax imposed on freight lines
10 and equipment companies for eligible expenses for
11 maintenance, repairs, and improvements of railroad
12 cars of the freight lines and equipment companies.

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14 A BILL
15 TO BE ENTITLED
16 AN ACT

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18 To add a new Section 40-21-52.1 to the Code of
19 Alabama 1975, relating to license taxes imposed on freight
20 lines and equipment companies, to allow a credit for eligible
21 expenses for maintenance, repair, and improvement of railroad
22 cars of the freight lines and equipment companies.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Section 40-21-52.1 is added to the Code
25 of Alabama 1975, to read as follows:

26 §40-21-52.1

1 (a) For purposes of this section, the term eligible
2 expenses means any expenses including labor, materials, and
3 overhead incurred in this state to maintain, repair, or
4 improve a railroad car of a freight line and equipment
5 company. The term also includes payments made in this state to
6 third parties to maintain, repair, or improve a railroad car
7 of a freight line and equipment company.

8 (b) A freight line and equipment company shall be
9 allowed a credit with respect to its license tax levied
10 pursuant to Section 40-21-52, in an amount equal to 100
11 percent of its eligible expenses incurred during the
12 immediately preceding taxable year.

13 (c) The credit pursuant to subsection (b) for a
14 freight line and equipment company shall not exceed its
15 liability for the license tax levied for any year in which the
16 credit is allowed.

17 (d) The Commissioner of the Department of Revenue
18 shall promulgate such rules as may be necessary for
19 implementation and administration of this section, including,
20 but not limited to, forms and procedures for documenting and
21 claiming the credit.

22 Section 2. This act shall become effective
23 immediately following its passage and approval by the
24 Governor, or its otherwise becoming law.