SENATE BILL No. 108

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-35.

Synopsis: Income tax credit for rail improvements. Provides that a railroad company that is classified as a Class II or Class III carrier is entitled to a credit against the railroad company's state income tax liability equal to 50% of the amount of qualified railroad reconstruction or replacement expenditures made by the railroad company during the taxable year. Provides, however, that the credit may not exceed the number of miles of railroad owned or leased by the railroad company on the last day of the taxable year multiplied by \$3,500.

Effective: July 1, 2020.

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January 6,2020, read first time and referred to Committee on Tax and Fiscal Policy.



Second Regular Session of the 121st General Assembly (2020)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2019 Regular Session of the General Assembly.

SENATE BILL No. 108

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

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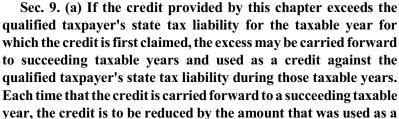
1	(A) track;
2	(B) roadbed;
3	(C) bridges;
4	(D) industrial leads; and
5	(E) track related structures; and
6	(2) new construction of:
7	(A) industrial leads;
8	(B) switches;
9	(C) spurs;
10	(D) sidings; or
11	(E) extensions of existing sidings.
12	Sec. 4. As used in this chapter, "qualified taxpayer" means a
13	taxpayer that is a railroad company that is classified as a Class II
14	or Class III carrier as determined by the Surface Transportation
15	Board based on annual revenue thresholds under 49 CFR 1201 1-1,
16	Subpart A.
17	Sec. 5. As used in this chapter, "state tax liability" means a
18	qualified taxpayer's total tax liability that is incurred under
19	IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax) as
20	computed after the application of the credits that under
21	IC 6-3.1-1-2 are to be applied before the credit provided by this
22	chapter.
23	Sec. 6. (a) Subject to subsection (b) and section 7 of this chapter,
24	a qualified taxpayer is entitled to a credit against the qualified
25	taxpayer's state tax liability for a taxable year equal to:
26	(1) the amount of qualified railroad reconstruction or
27	replacement expenditures paid by the qualified taxpayer
28	during the taxable year; multiplied by
29	(2) fifty percent (50%).
30	(b) The amount of a credit that a qualified taxpayer is entitled
31	to with respect to the taxable year under subsection (a) may not
32	exceed the product of:
33	(1) the number of miles of railroad:
34	(A) located in Indiana; and
35	(B) owned or leased;
36	by the eligible taxpayer on the last day of the taxable year;
37	multiplied by
38	(2) three thousand five hundred dollars (\$3,500).
39	Sec. 7. (a) A taxpayer wishing to obtain a credit under this
40	chapter must first apply to the Indiana department of
41	transportation for certification of the credit.

(b) The application must be in the form prescribed by the



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1	credit during the immediately preceding taxable year. The credit
2	provided by this chapter may be carried forward and applied to
3	succeeding taxable years for five (5) taxable years following the
4	unused credit year.
5	(b) A credit earned by a taxpayer in a particular taxable year
6	shall be applied against the taxpayer's tax liability for that taxable
7	year before any credit carryover is applied against that liability
8	under subsection (a).
9	(c) A qualified taxpayer is not entitled to any carryback or
10	refund of any unused credit.
11	Sec. 10. (a) A qualified taxpayer may assign any part of the
12	credit that the qualified taxpayer may claim under this chapter. A
13	qualified taxpayer may assign a credit for up to five (5) taxable
14	years following the first year for which the credit may be claimed.
15	A credit that is assigned under this section remains subject to this
16	chapter.
17	(b) An assignment of a credit under this section must be in
18	writing. If the right to claim a credit is assigned under this section,
19	the qualified taxpayer and the assignee shall provide the
20	department with a copy of the written assignment not later than
21	thirty (30) days after the assignment is made. The written
22	assignment must include at least the following information:
23	(1) The name, address, and taxpayer identification number of
24	the qualified taxpayer and the assignee.
25	(2) The taxable year for which the Indiana department of
26	transportation originally certified the qualified taxpayer's
27	expenditures as qualified railroad reconstruction or
28	replacement expenditures under section 7(d) of this chapter.
29	(3) The amount of the credit being assigned and the taxable
30	year or years in which the credit will be claimed by the
31	assignee.
32	(c) Both the qualified taxpayer and assignee shall report the
33	assignment on the qualified taxpayer's and assignee's state tax
34	returns for the year in which the assignment is made, in the
35	manner prescribed by the department.
36	SECTION 2. [EFFECTIVE JULY 1, 2020] (a) IC 6-3.1-35, as

added by this act, applies to taxable years beginning after

(b) This SECTION expires December 31, 2023.



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38 39 December 31, 2020.