House Research

- Bill Summary :

File Number: H.F. 1952 **Date:** March 10, 2017

Version: As amended by author's amendment (H1952A1)

Authors: Gruenhagen

Subject: Railroad grade safety improvements credit

Analyst: Nina Manzi, 651-296-5204

Joel Michael, joel.michael@house.mn

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

This bill allows a nonrefundable tax credit against the individual income and corporate franchise taxes equal to 50 percent of a railroad's expenditures on safety improvements at designated "priority crossings." Under the author's amendment any class of railroad (including short lines) could qualify for the credit.

For the railroad's expenditures to qualify, they must:

- increase the safety of the crossing by improving the quality of active traffic signals or by helping to implement grade separation;
- be the type of improvements that would qualify for depreciation or cost recovery deductions; or
- not already be required by law to be made by the railroad.

A list of priority crossings will be determined by the commissioner of the Department of Transportation, using the same methodology it used to prepare its 2014 Highway-Rail Grade Crossings and Rail Safety report.

Effective beginning in tax year 2017 for expenditures made after the list of priority crossings is posted on October 1st.