



RAIL CREDIT

Alabama Act 2019-459 provides an incentive to stimulate economic growth through capital investment in Class II & Class III railroad infrastructure.

For additional information regarding this program, please contact Cedric Colbert, Incentives Specialist, at cedric.colbert@commerce.alabama.gov or 334.242.0473.

BENEFIT

The Rail Credit is a one-time Alabama state income tax credit equal to the lesser of:

- a. 50 percent (50%) of an eligible rail carrier's qualified railroad rehabilitation expenditures; or
- b. Three Thousand Five Hundred Dollars (\$3,500) multiplied by the number of railroad track miles owned or leased within the state by the eligible rail carrier as of December 31st of the application year.

ELIGIBILITY

A rail carrier that owns or leases railroad infrastructure in Alabama and is classified by the United States Surface Transportation Board as a Class II or Class III railroad is eligible.

The Rail Credit application must include a rehabilitation plan and estimated qualified railroad rehabilitation expenditures. There is an application fee equal to the lesser of:

- a. One percent (1%) of the qualified railroad rehabilitation expenditures; or
- b. Ten Thousand Dollars (\$10,000).

The application fee should be made payable to the "Alabama Department of Commerce".