



ALABAMA DEPARTMENT OF COMMERCE
Under Act 2019-459, as enacted by the Alabama State Legislature

Rail Credit Application

Under Act 2019-459, 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 to apply for a one-time tax credit against the state income tax levied by Section 40-18-2, *Code of Alabama*, 1975, as amended (the "Rail Credit").

The Rail Credit shall be 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.

"Qualified Railroad Rehabilitation Expenditures" are expenditures for the maintenance, deductible maintenance of way expenses, reconstruction, or replacement of railroad infrastructure within the state that is owned or leased by an eligible rail carrier. The term includes new construction of industrial leads, switches, spurs, sidings, and extensions of existing sidings by an eligible rail carrier. The term does not include expenditures for which an Alabama state income tax deduction has been claimed. Deductible maintenance of way expenses for federal income taxes are acceptable. Only expenditures incurred during the calendar year during which the application was submitted shall be eligible.

The Department of Commerce's award of a Rail Credit allocation shall be based on the information contained in this Rail Credit Application. The maximum Rail Credit an eligible rail carrier may claim is the Rail Credit approved by the Department of Commerce. The reservation of a Rail Credit does not entitle the eligible rail carrier to an issuance of a Rail Credit until the eligible rail carrier complies with all other requirements of the Act.

Submitted with each Rail Credit Application shall be a non-refundable application fee made payable to the Alabama Department of Commerce in an amount equal to the **lesser** of:

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

A Rail Credit Application received without the application fee will not be considered and will be discarded as incomplete.

Section 1. Attachments

The following attachments must be submitted with all Rail Credit Applications:

- A. **Rehabilitation Plan:** Detailed construction plans and specifications for the proposed rehabilitation of railroad infrastructure.



B. Estimated Qualified Railroad Rehabilitation Expenditures: Estimate of the Qualified Railroad Rehabilitation Expenditures under the Rehabilitation Plan. At its own risk, the Eligible Rail Carrier may include incurred Qualified Railroad Rehabilitation Expenditures made in the 6 month period prior to the submission of this application.

C. Proof of Enrollment in E-Verify: Proof that the Eligible Rail Carrier is enrolled and participating in the E-Verify program, either independently or through the Alabama Department of Homeland Security E-Verify employer agent service.

Section 2. Eligible Rail Carrier Information

Name of Eligible Rail Carrier (including any DBA name): _____

United States Surface Transportation Board classification: Class II Class III

Physical Address of Eligible Rail Carrier: _____

Mailing Address of Eligible Rail Carrier: _____

Name of Authorized Contact: _____

Authorized Contact: Phone Number: _____ Email: _____

Section 3. Railroad Rehabilitation Information

Application Period: Beginning Date: January 1, 20____ Ending Date: December 1, 20____

Please provide information about the availability of additional public or private funding for this project:

Please describe the anticipated impact of the project on usage of the railroad infrastructure:



Section 4. Rail Credit Allocation Calculation

The Rail Credit shall be equal to the **lesser** of:

- a. 50 percent (50%) of an Eligible Rail Carrier’s Qualified Railroad Rehabilitation Expenditures;
- or*
- b. The number of railroad track miles owned or leased within the state by the eligible rail carrier multiplied by Three Thousand Five Hundred Dollars (\$3,500).

(a) Estimated Qualified Railroad Rehabilitation Expenditures:	\$
(b) Multiply (a) by 50%:	\$
(c) Miles of railroad track owned or leased within the state by the Eligible Rail Carrier:	
(d) Multiply (c) by \$3,500:	\$
(e) Rail Credit Allocation: Enter the lesser of (b) or (d).	\$

Section 5. Company Certification

The undersigned hereby affirms and certifies under oath that, to the best of my knowledge, the information contained in this application and any accompanying statement, schedules, attachments and other supporting information is true, correct and complete and that the undersigned is duly authorized to submit this information on behalf of the Eligible Rail Carrier.

Signature of Signatory: _____

Printed Name of Signatory: _____

Title of Signatory: _____

Date: _____

Send the completed and signed Rail Credit Application **with application fee** to:

Alabama Department of Commerce, Incentives Manager
401 Adams Avenue, Suite 749
Montgomery, AL 36104