

STATEMENT OF PURPOSE

RS25742

The purpose of this legislation is to authorize a non-refundable income tax credit for shortline transportation investment and maintenance into Idaho's shortline railroad infrastructure. Improved shortline rail infrastructure will allow heavier and fully loaded rail cars to move more product for less cost to a shipper, and improved railroad infrastructure will increase safety, efficiency and reliability. This legislation provides 50% income tax credit on the value of investment, capped at \$3,500 per mile of track owned/operated by the shortline railroad in Idaho. If not used by the shortline railroad, credit is transferable only to railroad customers and vendors. The effective date is January 1, 2019 and sunsets in five years in 2024.

FISCAL NOTE

The cap of \$3,500 per mile, over 885 total track miles, will limit fiscal impact to no more than \$3.1 million. All Idaho shortline railroads would first have to invest a total of \$6.2 million in infrastructure improvements or construction.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).