

110TH CONGRESS  
1ST SESSION

# S. 881

To amend the Internal Revenue Code of 1986 to extend and modify the  
railroad track maintenance credit.

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IN THE SENATE OF THE UNITED STATES

MARCH 14, 2007

Mrs. LINCOLN (for herself and Mr. SMITH) introduced the following bill; which  
was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to extend  
and modify the railroad track maintenance credit.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Short Line Railroad  
5 Investment Act of 2007”.

6 **SEC. 2. EXTENSION AND MODIFICATION OF RAILROAD**  
7 **TRACK MAINTENANCE CREDIT.**

8 (a) EXTENSION.—

9 (1) IN GENERAL.—Subsection (d) of section  
10 45G of the Internal Revenue Code of 1986 (relating

1 to qualified railroad track maintenance expendi-  
2 tures) is amended by striking “for maintaining” and  
3 all that follows and inserting “for maintaining—

4 “(A) in the case of taxable years beginning  
5 after December 31, 2004, and before January  
6 1, 2008, railroad track (including roadbed,  
7 bridges, and related track structures) owned or  
8 leased as of January 1, 2005, by a Class II or  
9 Class III railroad (determined without regard  
10 to any consideration for such expenditures  
11 given by the Class II or Class III railroad which  
12 made the assignment of such track), and

13 “(B) in the case of taxable years beginning  
14 after December 31, 2007, and before January  
15 1, 2011, railroad track (including roadbed,  
16 bridges, and related track structures) owned or  
17 leased as of January 1, 2007, by a Class II or  
18 Class III railroad (determined without regard  
19 to any consideration for such expenditures  
20 given by the Class II or Class III railroad which  
21 made the assignment of such track).”.

22 (2) CONFORMING AMENDMENT.—Section 45G  
23 of such Code is amended by striking subsection (f).

24 (b) COORDINATION WITH SECTION 55.—Section  
25 38(c)(4)(B) of the Internal Revenue Code of 1986 is

1 amended by striking “and” at the end of clause (i), by  
2 striking the period at the end of clause (ii)(II) and insert-  
3 ing “, and”, and by adding at the end the following new  
4 clause:

5                                   “(iii) the credit determined under sec-  
6                                   tion 45G.”.

7       (c) CREDIT LIMITATION ADJUSTMENT.—Subpara-  
8 graph (A) of section 45G(b)(1) of the Internal Revenue  
9 Code of 1986 is amended by striking “\$3,500” and insert-  
10 ing “\$4,500”.

11       (d) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to taxable years beginning after  
13 December 31, 2007.

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