



## American Short Line and Regional Railroad Association

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### **Senate Rail Champions Introduce Short Line Railroad Maintenance Tax Credit Modernization Act**

*Introduction of S.1532 Joins H.R.516 to Make Modernization of the 45G Credit a  
Bicameral and Bipartisan Objective*

**WASHINGTON, April 30, 2025** – Today, Senator Mike Crapo (Idaho), Chairman of the Senate Finance Committee, and Senator Ron Wyden (OR), ranking member of the Committee, introduced S. 1532, to modernize the Short Line Railroad Maintenance Tax Credit that has been responsible for driving more than \$8B in private investment in short line rail infrastructure since the credit was introduced in 2005.

S. 1532 is a companion bill to H.R. 516 introduced on January 16, 2025, by Congressmen Mike Kelly (PA) and Mike Thompson (CA), the Chair and Ranking Member of the Subcommittee on Tax of the House Ways and Means Committee. H.R. 516 currently has [55 co-sponsors](#) in the 119<sup>th</sup> Congress.

These bills seek to modernize the tax credit by right-sizing the cap per mile to today's costs, by including all short line rail mileage, and by indexing the cap to inflation moving forward.

“This 45G Tax Credit is widely considered an effective and successful public policy. It has been responsible for significant private investment in infrastructure, but outdated caps and limitations are threatening to erode its potency. Today, Senators Crapo and Wyden have acted, introducing S 1532, enabling updates to the credit that will serve the rail industry, shippers, and the economies of small towns across the country for years to come.” said Chuck Baker, President, ASLRRRA. “We are immensely grateful for the bipartisan and bicameral leadership of

Senators Crapo and Wyden and Representatives Kelly and Thompson in supporting the continued growth and success of the short line industry and more importantly the thousands of agricultural, energy, manufacturing, and industrial shippers we serve.”

Short lines operate one-third of the nation’s rail system, and are the origin or destination point of one in five cars moving throughout the system. The tax credit, commonly known as the 45G tax credit referring to its section in the U.S. tax code, allows the more than 600 short line railroads across the country to address urgently needed safety improvements, including upgrading steel track, replacing wood ties, and modernizing bridges, ensuring that more than 10,000 shippers have access to U.S. and global markets.

“Short line railroads are critical infrastructure that connect Idaho’s farmers, ranchers and manufacturers to national and global markets, supporting local jobs and driving economic growth in rural Idaho,” said Senator Crapo. “Modernizing the Short Line Railroad Tax Credit will provide railroads with necessary certainty and resources to invest in safety, efficiency and long-term infrastructure improvements in our regional areas.”

“Short line and regional railroads are not just a mode of transportation, but they are also a vital economic tool that connects local businesses with Oregonians and other people all across the nation,” Senator Wyden said. “For years, Senator Crapo and I worked together to make railroad tax credits permanent, and the next step is to make these tax credits better for our operators. Our bipartisan bill will provide railroads with much needed resources to make vital upgrades that will bring our rural, suburban and urban communities and their local economies together.”

With overwhelmingly bi-partisan support in the 116<sup>th</sup> Congress (302 co-sponsors in the House and 62 in the Senate) the tax credit was made permanent in 2020. It currently allows for a \$.40 tax credit for each dollar invested in upgrading rail and bridges, up to a cap of \$3,500 per mile of rail.

However, expenditures on rail that became short line track after 2015 are ineligible for the tax credit and, over time, the cost to rehabilitate a mile of track has increased significantly. Today’s costs for short line rail maintenance exceed \$15,000 per mile. This legislation seeks to increase the cap per mile to \$6,100, index the cost to inflation going forward, and allow expenditures on all short line-owned track to be eligible for the tax credit.

For more information on the impact of the 45G tax credit, visit [aslrta.org](https://aslrta.org).

**About ASLRRRA** - The American Short Line and Regional Railroad Association (ASLRRRA) is a non-profit trade association representing the interests of the nation's 603 short line and regional railroads and railroad supply company members in legislative and regulatory matters. Short lines operate 50,000 route miles of track in 48 states, or approximately 30% of the national railroad network, touching in origination or termination one out of every five cars moving on the national railroad system, serving customers who otherwise would be cut off from the national railroad network. [www.aslrra.org](http://www.aslrra.org)