



## American Short Line and Regional Railroad Association

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### **100<sup>th</sup> U.S. Congressman Signs on to Support Short Line Freight Railroads**

*The Railroad Track Maintenance Credit Modernization Bill – H.R. 516 – ensures the tax credit will continue to drive freight rail growth across the nation*

**WASHINGTON, August 7, 2025** – The American Short Line and Regional Railroad Association (ASLRRRA), representing the nation's 603 short line freight railroads, announced the 100<sup>th</sup> co-sponsor of H.R. 516 – the Railroad Tax Maintenance Credit Modernization bill. Representatives Adam Gray [D-CA-13], Michael Lawler [R-NY-17], Frank Lucas [R-OK-3], Mary Miller [R-IL-15], Max Miller [R-OH-7], and Kim Schrier [D-WA-8] signed onto the bill on August 5<sup>th</sup>, joining 96 other bi-partisan cosponsors of a bill that would modernize a successful, decades long public-private partnership and sending the cosponsor count over the symbolic 100 marker.

The bill was introduced by two strong supporters of the short line industry and the 45G tax credit, Representative Mike Kelly [R-PA-6] and Representative Mike Thompson [D-CA-4], both members of the House Ways and Means Committee and the Chair and Ranking Member respectively of the Tax Subcommittee.

The 102 cosponsor count for H.R. 516 places the bill in the top two percent of all tax bills active in the 119<sup>th</sup> Congress in the House of Representatives, ranking ninth out of 434 bills to be precise. And of the top ten bills, H.R. 516 is one of only three bills that can be considered truly bipartisan with substantial support from both major political parties.

The Railroad Track Maintenance Credit, commonly known as the 45G tax credit referring to its section in the U.S. tax code, has been a meaningful tax incentive for two decades for short lines

to put more of their own funds to work – to the tune of more than \$8B to date - upgrading track and bridges to modern standards. Modern track provides safer and more efficient transportation, benefitting the entire interconnected freight rail network, thousands of rail shippers in critical industries, and the American public. Short lines operate one-third of the nation's rail system, and are the origin or destination point of one in five cars shipping by rail.

"The 45G tax credit has allowed short lines nationwide to invest in upgrading rails and bridges to modern standards—investments that have improved safety, fueled growth for shippers, and supported the economies of small towns and rural areas across the country," said Chuck Baker, President of the ASLRRRA. "However, the credit has not accounted for inflation which, over time has eroded the power of the credit, and does not apply to short lines established since 2015. This bill, alongside its Senate counterpart, S. 1532, will update the credit to address these issues, so that the credit can continue to serve the country's freight rail shippers as Congress intended. We are deeply grateful for the leadership of Representatives Kelly and Thompson, and the bipartisan support of the 101 Representatives who have joined them to date."

The 45G tax credit currently allows for a \$.40 tax credit for each dollar invested in upgrading short line track, up to a cap of \$3,500 per mile of rail. It is widely considered an effective and successful public policy, however over time the cost to rehabilitate a mile of track has increased significantly. 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.

ASLRRRA is seeking to have the bill included in the next tax bill that becomes law in the 119<sup>th</sup> Congress.

Short line industry leaders have participated in more than 500 Congressional meetings in the first six months of the year in support of 45G modernization, and many will host Congressional delegations on their railroads during summer recess in August.

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