American Short Line and Regional Railroad Association.

50 F Street, NW
Suite 500
Washington, DC 20001
aslrra@aslrra.org
www.aslrra.org

Contact:
Amy Krouse
akrouse@aslrra.org
(Cell) 312-371-6947
(Direct) 202-585-3438

Majority of U.S. Senators Say YES to Short Line Freight Railroad Infrastructure Improvements

The Railroad Track Maintenance Credit Modernization Bill – S. 1532 – Allows Critical Infrastructure Investment to Continue

WASHINGTON, November 16, 2026 – The American Short Line and Regional Railroad Association (ASLRRA), on behalf of the nation's 603 short line freight railroads, celebrates the 51st co-sponsor of S. 1532 – the Railroad Track Maintenance Credit Modernization bill.

Senators Lisa Murkowski [AK], Angela Alsobrooks [MD], Mark Warner [VA], Jacky Rosen [NV], and Tammy Duckworth [IL] are the most recent Senators to add their names to the roster of bipartisan co-sponsors of the bill, lifting it to the symbolically powerful number of 51 Senate co-sponsors. This legislation is also the only tax legislation in this session of Congress that is sponsored or co-sponsored by Senate Majority Leader Thune, Senate Minority Leader Schumer, Senate Finance Committee Chairman Mike Crapo, and Senate Finance Committee Ranking Member Ron Wyden. The bill would modernize a successful, decades-long public-private partnership. The tax credit has been strongly supported since its inception in 2005 on a broadly bi-partisan basis in both houses of Congress.

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 safety, reliability, and capacity 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 been a critical tool for short line railroads across the country, enabling them to invest in modernizing rail infrastructure, improving safety, supporting shipper growth, and strengthening the economies of small towns and rural communities," said Chuck Baker, President of ASLRRA. "But the credit has not kept pace with inflation, diminishing its impact over time, and it excludes short lines established since 2015. This legislation, along with its U.S. House counterpart, H.R. 516, would modernize the credit to address these shortcomings and ensure it continues to support the nation's freight rail shippers as Congress intended."

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 current short line track to be eligible for the tax credit.

A companion bill, H.R. 516 was introduced by two strong supporters of the short line industry and the 45G tax credit, Representative Mike Kelly [PA-6] and Representative Mike Thompson [CA-4], both members of the House Ways and Means Committee and the Chair and Ranking Member respectively of the Tax Subcommittee. The co-sponsor count in the House stands at 183, placing the bill in the top two percent of all tax bills active in the 119th Congress.

ASLRRA is seeking to have these provisions included in the next bill with a tax title that becomes law in the 119th Congress, if such an opportunity arises. If not, the legislation is expected to be introduced again early in the 120th Congress.

For more information on the impact of the 45G tax credit, visit aslrra.org.

About ASLRRA - The American Short Line and Regional Railroad Association (ASLRRA) 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