

State of Minnesota

H. F. No. 186

The bill was read for the first time and referred to the Committee on Taxes

1.2 relating to taxation; income and corporate franchise tax; allowing a tax credit for
1.3 certain expenditures related to railroad crossings; proposing coding for new law
1.4 in Minnesota Statutes, chapter 290.

(3) are not required by law to be made by the railroad.

(e) "Railroad" means a Class I or Class II railroad as defined in United States Code, title 49, section 20102, as amended.

(f) "Priority crossing" means a crossing that is designated by the commissioner of transportation under subdivision 5.

Subd. 3. Carryover. The credit for a taxable year must not exceed the taxpayer's liability for tax. If the credit for a taxable year exceeds the liability for tax, the excess is a carryover to each of the 15 succeeding taxable years. The entire amount of the excess unused credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The amount of the unused credit that may be added under this subdivision must not exceed the liability for tax less the credit for the taxable year.

Subd. 4. Partnerships and S corporations. For a railroad operated as a partnership, a limited liability company taxed as a partnership, or an S corporation, the credit under this section is passed through to each partner, member, or shareholder in proportion to their share of the entity's net income for the taxable year.

Subd. 5. Designation of priority crossings. (a) By October 1, 2019, the commissioner of transportation shall designate a list of at least 15 priority crossings that qualify for the tax credit under this section and publish the list on the website of the Department of Transportation. The list establishes priority crossings, expenditures for which qualify for the tax credit under this section. The commissioner may revise the list of priority crossings as the commissioner determines appropriate, based on changing conditions and circumstances.

(b) In establishing a list of priority crossings, the commissioner of transportation shall use a methodology for evaluating the priority for and cost-effectiveness of expenditures for improving public safety following or similar to the methods used in preparing the study required by Laws 2014, chapter 312, article 10, section 10, with any modifications or improvements the commissioner determines appropriate.

(c) Actions of the commissioner of transportation in establishing a list of priority crossings under this subdivision are not an administrative rule subject to the Administrative Procedure Act in chapter 14, including section 14.386.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2018, and applies to expenditures made after October 1, 2019.