

**141.386 Nonrefundable tax credit for railroad expansion or upgrade to accommodate transportation of fossil energy resources or biomass resources.**

- (1) As used in this section:
  - (a) "Fossil energy resources" means reserves of coal, oil shale, and natural gas; and
  - (b) "Biomass resources" means agricultural materials that may be used for production of transportation fuels such as biodiesel or ethanol or that may themselves be used as a fuel, alone or in combination with a fossil fuel, for generation of electricity.
- (2) For taxable years beginning after December 31, 2009:
  - (a) A corporation that owns fossil energy resources subject to tax under KRS 143.020 or 143A.020 or biomass resources and transports these resources using rail facilities; or
  - (b) A railway company subject to tax under KRS 136.120 that serves a corporation that owns fossil energy resources subject to tax under KRS 143.020 or 143A.020 or biomass resources;shall be entitled to a nonrefundable tax credit against the taxes imposed under KRS 141.040 and 141.0401, with the ordering of credits as directed by KRS 141.0205, in an amount certified by the department pursuant to subsection (4) of this section.
- (3)
  - (a) The credit shall be equal to twenty-five percent (25%) of the expenditures paid or incurred by the corporation or railway company to expand or upgrade railroad track, including roadbeds, bridges, and related track structures, to accommodate the transport of fossil energy resources or biomass resources.
  - (b) The credit amount approved for a calendar year for all taxpayers under this section shall be limited to one million dollars (\$1,000,000).
  - (c) If the total amount of approved credit exceeds one million dollars (\$1,000,000), the department shall determine the amount of credit each corporation and railway company receives by multiplying one million dollars (\$1,000,000) by a fraction, the numerator of which is the amount of approved credit for a corporation or railway company and the denominator of which is the total approved credit for all corporations and railway companies.
- (4) Each corporation or railway company eligible for the credit provided under this section shall file a railroad expansion tax credit claim on forms prescribed by the department by the fifteenth day of the first month following the close of the preceding calendar year. The department shall determine the amount of the approved credit and issue a credit certificate to the corporation or railway company by the fifteenth day of the third month following the close of the calendar year.

**Effective:** June 26, 2009

**History:** Created 2009 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 70, effective June 26, 2009.