

AN ACT

ENTITLED, An Act to provide a credit against certain taxes paid by railroads for the replacement and repair of rail lines and to revise certain provisions regarding the distribution of the assessed value of a railroad.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That chapter 10-28 be amended by adding thereto a NEW SECTION to read as follows:

Any publicly operated railroad or railway corporation operating over rail lines located within this state may claim a credit against the tax levied on such rail lines for amounts that the railroad or railway corporation has certified as having been expended in the replacement and repair of such rail lines. Only those expenses of a capital nature may be certified as an expense eligible for a credit pursuant to this section. The certification required by this section shall be on forms provided by the Department of Revenue. The labor and material expenses certified pursuant to this section shall be itemized separately. The credit provided in this section shall be applied proportionally across the railroad's entire mainline within this state. The credit shall be applied to tax liability over a three-year period in an amount equal to thirty-three and one-third percent the first year following certification; thirty-three and one-third percent of such an amount shall carry forward into the second year following certification; and thirty-three and one-third percent shall carry forward into the third year following certification. Each year's carryover shall be accumulated as a tax credit with other years' annual tax credits. No credit may be given for the repair or replacement of railway line necessitated by washout, fire, or train derailment. If any rail line goes over ten million gross ton miles per mile annually in a calendar year, the rail line may not receive a credit pursuant to this section in the following calendar year.

Section 2. That § 10-28-16 be amended to read as follows:

10-28-16. The Department of Revenue shall, on or before the fourth Monday in August, each year, transmit to the county auditor of each county through which any railroad runs, a statement showing the length of main track, of main line or lines, and the branches thereof and sidetracks within such county, and the assessed value based on a statewide formula that weights traffic (ton miles) fifty percent and miles of track in the county by fifty percent. The county auditor shall then distribute the value to each taxing district where the line runs on a per mile basis within the county.

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I certify that the attached Act originated in the

SENATE as Bill No. 188

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 188
File No. _____
Chapter No. _____

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Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State