

**§2624. Amount of tax**

The amount of the annual excise tax on railroads shall be ascertained as follows: The amount of the gross transportation receipts for the year ended on the 31st day of December preceding the levying of the tax shall be compared with the net railway operating income for that year. When the net railway operating income does not exceed 10% of the gross transportation receipts, the tax shall be an amount equal to 3 1/4% of the gross transportation receipts. When the net railway operating income exceeds 10% of the gross transportation receipts but does not exceed 15%, the tax shall be an amount equal to 3 3/4% of the gross transportation receipts. When the net railway operating income exceeds 15% of the gross transportation receipts but does not exceed 20%, the tax shall be an amount equal to 4 1/4% of such gross transportation receipts. When the net railway operating income exceeds 20% of the gross transportation receipts but does not exceed 25%, the tax shall be an amount equal to 4 3/4% of the gross transportation receipts. When the net railway operating income exceeds 25% of the gross transportation receipts, the tax shall be an amount equal to 5 1/4% of the gross transportation receipts. The tax shall be decreased by the amount by which 5 3/4% of operating investment exceeds net railway operating income but shall in no event be decreased below a minimum amount equal to 1/2 of 1% of gross transportation receipts. In the case of railroads operating not over 50 miles of road, the tax shall not exceed 1 3/4% of the gross transportation receipts. [PL 1989, c. 586, §2 (AMD).]

When a railroad lies partly within and partly without the State, or is operated as a part of a line or system extending beyond the State, the tax shall be equal to the same proportion of the gross transportation receipts in the State, and its amount shall be determined as follows: The gross transportation receipts of such railroad, line or system, as the case may be, over its whole extent, within and without the State, shall be divided by the total number of miles operated to obtain the average gross transportation receipts per mile, and the gross transportation receipts in the State shall be taken to be the average gross transportation receipts per mile multiplied by the number of miles operated within the State, and the net railway operating income within the State shall be similarly determined.

The State Tax Assessor, after notice and hearing, may determine the accuracy of any returns required of any railroad, and if found inaccurate, may order proper corrections to be made therein. [PL 1983, c. 571, §7 (AMD).]

The tax calculated pursuant to this section, for any taxable year, shall be decreased by a tax credit as defined in section 2621-A, subsection 3, calculated for that same taxable year. At no time may a tax credit be utilized to decrease the tax below the minimum tax imposed by this section. [PL 1989, c. 586, §3 (NEW); PL 1989, c. 702, Pt. E, §19 (AFF); PL 1989, c. 875, Pt. E, §59 (AFF).]

**SECTION HISTORY**

PL 1971, c. 549 (AMD). PL 1977, c. 78, §200 (AMD). PL 1979, c. 470 (AMD). PL 1981, c. 384 (AMD). PL 1981, c. 682, §§1,2 (AMD). PL 1983, c. 571, §§6,7 (AMD). PL 1989, c. 586, §§2,3 (AMD). PL 1989, c. 702, §E19 (AMD). PL 1989, c. 875, §E59 (AMD).

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