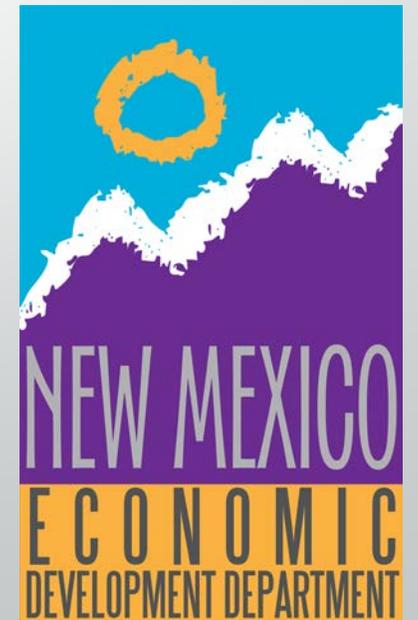


Locomotive Fuel Tax Deductions

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Existing Law

Existing law provides:

- GRT deduction of receipts from the sale of fuel to a common carrier to be loaded or used in a locomotive engine; and
- Compensating tax deduction for the value of fuel to be loaded or used by a common carrier in a locomotive engine.

N.M.S.A. 1978, §§ 7-9-110.1, 7-9-110.2.

Eligibility

- To be eligible for the deductions, the fuel shall be used or loaded by a common carrier that:
 - after July 1, 2011, made a capital investment of one hundred million dollars (\$100,000,000) or more in new construction or renovations at the railroad locomotive refueling facility in which the fuel is loaded or used; or
 - on or after July 1, 2012, made a capital investment of fifty million dollars (\$50,000,000) or more in new railroad infrastructure improvements, including railroad facilities, track, signals and supporting railroad network, located in New Mexico; provided that the new railroad infrastructure improvements are not required by a regulatory agency to correct problems, such as regular or preventive maintenance, specifically identified by that agency as requiring necessary corrective action.

NMSA 1978, §§ 7-9-110.3(B), (C).

UP Intermodal Facility

- UP
 - 1,375 temporary jobs during 3.5-year construction period
 - 436 permanent jobs
- Indirect Jobs
 - BIA attributes an additional 267 to the construction of the intermodal facility
- \$350 million capital investment
- Deduction worth \$15.9 million to UP

BNSF Improvements

- 38 new jobs in FY15
- 86 new jobs since deduction was enacted
- 1,211 total employees at 6 locations in New Mexico
- Purchased \$55,919,821 in locomotive fuel in New Mexico due to the deduction