

Name(s) shown on return

Identifying number

**Part I Current Year Credit** (Members of controlled groups or businesses under common control, see instructions.)

<b>1</b>	Qualified railroad track maintenance expenditures paid or incurred (see instructions) . . . . .				
<b>2</b>	Enter 50% (.50) of line 1 . . . . .				<b>2</b>
<b>3a</b>	Number of miles of railroad track owned or leased by you (see instructions) . . . . .				<b>3d</b>
<b>b</b>	Less: number of miles of railroad track owned or leased by you and assigned to other eligible taxpayers for purposes of this credit (see instructions) . . . . .				
<b>3b</b>	( )				
<b>c</b>	Number of miles of railroad track assigned to you by the owner or lessee for purposes of this credit (see instructions) . . . . .				
<b>d</b>	<b>Total.</b> Combine lines 3a through 3c . . . . .				<b>3d</b>
<b>4</b>	Multiply line 3d by \$3,500 . . . . .				<b>4</b>
<b>5</b>	Enter the <b>smaller</b> of line 2 or line 4 . . . . .				<b>5</b>
<b>6</b>	Qualified railroad track maintenance credit from pass-through entities:	If you are a—	Then enter the total of the current year credits from—		<b>6</b>
		a Shareholder	Schedule K-1 (Form 1120S), box 13, code F, G, or U	}	
		b Partner	Schedule K-1 (Form 1065), box 15, code F, G, or U		
<b>7</b>	<b>Current year credit.</b> Add lines 5 and 6 (S corporations and partnerships, see instructions) . . . . .				<b>7</b>

**Part II Allowable Credit** (See **Who must file Form 3800** to find out if you complete Part II or file Form 3800.)

<b>8</b>	Regular tax before credits:				<b>8</b>
	• Individuals. Enter the amount from Form 1040, line 44 . . . . .	}			
	• Corporations. Enter the amount from Form 1120, Schedule J, line 3; Form 1120-A, Part I, line 1; or the applicable line of your return . . . . .				
	• Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return . . . . .				
<b>9</b>	Alternative minimum tax:				<b>9</b>
	• Individuals. Enter the amount from Form 6251, line 35 . . . . .	}			
	• Corporations. Enter the amount from Form 4626, line 14 . . . . .				
	• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56 . . . . .				
<b>10</b>	Add lines 8 and 9 . . . . .				<b>10</b>
<b>11a</b>	Foreign tax credit . . . . .				<b>11f</b>
<b>b</b>	Credits from Form 1040, lines 48 through 54. . . . .				
<b>c</b>	Possessions tax credit (Form 5735, line 17 or 27) . . . . .				
<b>d</b>	Nonconventional source fuel credit (Form 8907, line 23) . . . . .				
<b>e</b>	Other specified credits (see instructions) . . . . .				
<b>f</b>	Add lines 11a through 11e . . . . .				
<b>12</b>	Net income tax. Subtract line 11f from line 10. If zero, skip lines 13 through 16 and enter -0- on line 17 . . . . .				<b>12</b>
<b>13</b>	Net regular tax. Subtract line 11f from line 8. If zero or less, enter -0- . . . . .				<b>14</b>
<b>14</b>	Enter 25% (.25) of the excess, if any, of line 13 over \$25,000 (see instructions) . . . . .				
<b>15</b>	Tentative minimum tax (see instructions):				
	• Individuals. Enter the amount from Form 6251, line 33 . . . . .	}			
	• Corporations. Enter the amount from Form 4626, line 12 . . . . .				
	• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 54 . . . . .				
<b>16</b>	Enter the greater of line 14 or line 15 . . . . .				<b>16</b>
<b>17</b>	Subtract line 16 from line 12. If zero or less, enter -0- . . . . .				<b>17</b>
<b>18</b>	<b>Credit allowed for the current year.</b> Enter the <b>smaller</b> of line 7 or line 17 here and on Form 1040, line 55; Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 2; Form 1041, Schedule G, line 2c; or the applicable line of your return. If line 17 is smaller than line 7, see instructions . . . . .				<b>18</b>

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

Eligible taxpayers use Form 8900 to claim the credit with respect to qualified railroad track maintenance expenditures paid or incurred during tax years beginning after 2004 and before 2008.

### Definitions

#### Eligible Taxpayer

Eligible taxpayers include:

1. Any Class II or Class III railroad, as these terms are defined by the Surface Transportation Board (STB).
2. Any person (including a Class I railroad (see below)) who transports property using the rail facilities of a Class II or Class III railroad.
3. Any person (including a Class I railroad (see below)) who furnishes railroad-related services or property to a Class II or Class III railroad.

For purposes of 2 or 3 above, the taxpayer is only eligible to claim the credit with respect to miles of railroad track assigned to it by a Class II or Class III railroad for purposes of the credit. See the instructions for line 3c.

Class I railroads include only the following seven entities:

- BNSF,
- CSX,
- Grand Trunk Corporation (a holding company for all of Canadian National's U.S. railroad operations),
- Kansas City Southern,
- Norfolk Southern,
- Soo Line (owned by Canadian Pacific), and
- Union Pacific.

#### Qualified Railroad Track Maintenance Expenditures

Qualified railroad track maintenance expenditures means expenditures (whether or not otherwise chargeable to a capital account) for maintaining railroad track (including roadbed, bridges, and related track structures) owned or leased as of January 1, 2005, by a Class II or Class III railroad.

#### Basis Reduction

You must reduce the basis of any railroad track by the amount of the credit on line 5 related to that railroad track.

#### No Credit Carryback

You may not carry this credit back to a tax year that begins before 2005.

## Specific Instructions

### Part I—Current Year Credit

Figure the current year credit from your trade or business on lines 1 through 5. Skip lines 1 through 5 if you are only claiming a credit that was allocated to you from an S corporation or partnership.

#### Line 1

Qualified railroad track maintenance expenditures must be paid or incurred by an eligible taxpayer during the tax year.

**Line 3a** (This line only applies to you if you are a Class II or Class III railroad.)

You (a) must own or lease each mile of railroad track by the close of your tax year that corresponds to the credit computation and (b) that mile must have been owned or leased by a Class II or Class III railroad as of January 1, 2005.

**Line 3b** (This line only applies to you if you are a Class II or Class III railroad.)

You must reduce on line 3b the number of miles of railroad track entered on line 3a that you assigned to another eligible taxpayer for purposes of the credit computation. You can only assign each mile of railroad track once during your tax year. Each mile of railroad track that you assign is treated as being assigned on the last day of your tax year.

#### Line 3c

The eligible taxpayer (a) must be assigned each mile of railroad track for purposes of the credit (i) by the close of the tax year that corresponds to the credit computation and (ii) by the Class II or Class III railroad that owns or leases that railroad track and (b) that mile must have been owned or leased by a Class II or Class III railroad as of January 1, 2005.

#### Line 7

**S corporations and partnerships.** Allocate the line 7 credit among the shareholders or partners. Show the credit for each shareholder or partner on Schedule K-1. Electing large partnerships include this credit in "general credits."

**Member of controlled groups or business under common control.** For purposes of figuring the credit, all members of a controlled group of corporations (as defined in section 41(f)(5) and Regulations section 1.41-6T), and all members of a group of businesses under common control, are treated as a single taxpayer. The credit allowed each member is based on its proportionate share of qualified railroad track maintenance expenditures giving rise to the group's railroad track maintenance credit. Use Part I to figure the credit for the entire group, but enter only this member's share of the credit on line 7. Attach a statement showing how this member's share of the credit was figured, and write "See Attached" next to the entry space for line 7.

### Part II—Allowable Credit

The credit allowed for the current year may be limited based on your tax liability. Use Part II to figure the allowable credit unless you must file Form 3800, General Business Credit.

**Who must file Form 3800.** You must file Form 3800 if you have:

- A qualified railroad track maintenance credit from a passive activity,
- More than one credit included in the general business credit (other than a credit from Form 8844, Form 6478, or Section B of Form 8835), or
- A carryback or carryforward of any of those credits.

See the instructions for Form 3800 for a list of credits included in the general business credit.

**Line 11e**

Include on line 11e any amounts claimed on:

- Form 8834, Qualified Electric Vehicle Credit, line 20,
- Form 8910, Alternative Motor Vehicle Credit, line 18, and
- Form 8911, Alternative Fuel Vehicle Refueling Property Credit, line 19.

**Line 14**

See section 38(c)(5) for special rules that apply to married couples filing separate returns, controlled corporate groups, estates, and trusts.

**Line 15**

Although you may not owe alternative minimum tax (AMT), you generally must still compute the tentative minimum tax (TMT) to figure your credit. For a small corporation exempt from the AMT under section 55(e), enter zero. Otherwise, complete and attach the applicable AMT form or schedule.

**Line 18**

If you cannot use all of your credit because of the tax liability limit (line 17 is smaller than line 7), you cannot carry the unused credit back; you must carry the unused credit forward up to 20 years. See the instructions for Form 3800.

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**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to

give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

- Recordkeeping** . . . . . 6 hr., 56 min.
- Learning about the law or the form** . . . . . 30 min.
- Preparing, copying, assembling, and sending the form to the IRS** . . . . . 38 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.