



2026 Schedule RAIL, Short Line Railroad
Infrastructure Modernization Credit Transfer Form
For taxpayers classified as a Class II or Class III Railroad

Name of Taxpayer

FEIN or Social Security Number

Minnesota Tax ID

1 Certificate numbers(s) received from Minnesota Department of Transportation.

1a MN-SLR _____ – _____

1b MN-SLR _____ – _____

2 Amount of credit granted **2** ■ _____

3 Amount of credit already claimed. **3** ■ _____

4 Subtract line 3 from line 2. **Credit Amount to be transferred**..... **4** ■ _____

Short Line Railroad Infrastructure Modernization Credit
Transfer Form

_____, the transferor transfers the unused portion of its Short Line Railroad Infrastructure Modernization Credit in the amount shown below for expenditures incurred during the 202 _____ tax year, to _____, the transferee.

Amount being transferred: \$_____

The transferee and transferor acknowledge and agree that:

- 1. In the case of an audit or assessment, the transferee is liable for repayment of credits claimed in excess of the amount allowed or allowable.
- 2. Upon receipt of this form, the Department of Revenue will review the credit claimed to confirm the transferred portion does not exceed the amount available to be transferred. This review does not constitute certification that the credit claimed is not in excess of the amount allowed or allowable.

	Transferor	Transferee
Name:	_____	_____
SSN, ITIN, or Minnesota ID:	_____	_____
Title:	_____	_____
Telephone Number:	_____	_____
Signature:	_____	_____
Date:	_____	_____

Notice: This form must be mailed to the appropriate address at the Minnesota Department of Revenue address below within 30 days of the agreement between the transferor and transferee.

Individuals Minnesota Department of Revenue Tax Operations Division c/o Policy Lead Mail Station 4122 600 N. Robert St. St. Paul, MN 55146-4122	Corporations, Partnerships, S Corporations Minnesota Department of Revenue Tax Operations Division c/o Policy Lead Mail Station 4122 600 N. Robert St. St. Paul, MN 55146-5122	Insurance Minnesota Department of Revenue Insurance Taxes c/o Insurance Taxes Mail Station 1780 600 N. Robert St. St. Paul, MN 55146-1780
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2026 Schedule RAIL Instructions

What is Schedule RAIL?

Complete Schedule RAIL to transfer the short line railroad infrastructure modernization credit. Schedule RAIL is only to be used to transfer if the credit is not transferred on the credit certificate issued by the Department of Transportation.

What is a qualified railroad reconstruction or replacement expenditure?

Qualified railroad reconstruction or replacement expenditures are expenditures for maintenance, reconstruction, or replacement of railroad infrastructure in Minnesota that you owned or leased as of January 1, 2021. Expenses relating to new construction of industrial leads, switches, spurs and sidings, and extension of existing sidings also qualify.

What is railroad infrastructure?

Railroad infrastructure includes track, roadbed, bridges, industrial leads and sidings, and track related-related structures.

Is the credit transferable?

The amount of credit allowed that is stated in the credit certificate before any of the credit is claimed, or the entire amount of the credit carryover in each of the five succeeding taxable years may be transferred to one other taxpayer. Only a Class II or Class III railroad can transfer the credit. Partnerships, S corporations, and fiduciaries that distribute the credit to partners, shareholders, and beneficiaries are not considered to have transferred the credit. Partners, shareholders, and beneficiaries are not considered Class II or Class III railroads and are unable to transfer the credit.

For a transferee that is part of a unitary group filing a combined return for corporate franchise tax, only the company listed on the transfer certificate may utilize the credit to offset their tax. A Class II or Class III railroad that generates the credit may transfer the credit to another member of their combined group. Once a credit is transferred, it cannot be transferred again.

How do I transfer the credit?

The Department of Revenue will manage credit transfer agreements. Within thirty days of reaching a written agreement with another taxpayer to transfer the credit, the transferee and transferor must file the transfer form on page 2. The department will issue a credit certificate to the transferee within 30 days of the submitted transfer form. Issuance of the credit certificate does not guarantee eligibility of the credit or validate any component of the credit calculation. In the case of an audit or assessment of the credit, the transferee is responsible for repayments of credits claimed in excess of the allowed amount.

Line Instructions

If you enter a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN), you do not need to enter a Minnesota Tax ID number.

Line 1 – Certificate number(s) received from Minnesota Department of Transportation.

Enter your Short Line Railroad Infrastructure Modernization Certificate numbers received from Minnesota Department of Transportation.

Line 2 – Amount of credit granted

Enter the total original amount of all credit certificates being transferred.

Line 3 –Amount of credit already utilized

Enter the total amount of all credit certificates that were already used by the transferor.

Line 4 – Credit Amount

The result of line 4 is your short line railroad infrastructure modernization credit amount to be transferred. Include the transfer amount on the appropriate following line:

If you're a	Include credit on
C corporation	Form M4T, line 22
S corporation	Form M8, line 11*
Partnership	Form M3, line 10*
Sole proprietor	Schedule M1C, line 14
Fiduciary	Form M2, line 20
Tax-exempt organization	Form M4NPI, line 4e

*Any remaining credit may be passed through to partners and shareholders.