



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB2832

Introduced 2/6/2025, by Rep. Charles Meier

#### SYNOPSIS AS INTRODUCED:

New Act  
5 ILCS 140/7.5  
35 ILCS 5/246 new

Creates the Short Line Railroad Infrastructure Modernization Act. Provides that (i) any railroad company that is located wholly or partly within the State and that is classified by the United States Surface Transportation Board as a Class II or a Class III railroad and (ii) any owner or lessee of a rail siding, industrial spur, or industry track located on or adjacent to any railroad in the State may apply to the Department of Transportation for an income tax credit. Provides that the amount of the credit shall be equal to 50% of the qualified railroad reconstruction or replacement expenditures incurred by the eligible taxpayer during the taxable year, but not to exceed certain specified limitations. Provides that the credit may be transferred to an eligible transferee. Amends the Freedom of Information Act and the Illinois Income Tax Act to make conforming changes. Effective immediately.

LRB104 07492 HLH 17535 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Short  
5 Line Railroad Infrastructure Modernization Act.

6 Section 5. Definitions. As used in this Act:

7 "Applicant" means an applicant for a credit under this  
8 Act.

9 "Credit" means the Short Line Railroad Infrastructure  
10 Modernization Credit awarded under this Act.

11 "Department" means the Department of Transportation.

12 "Eligible taxpayer" means:

13 (1) any railroad company located wholly or partly  
14 within the State that is classified by the United States  
15 Surface Transportation Board as a Class II or a Class III  
16 railroad; and

17 (2) any owner or lessee of a rail siding, industrial  
18 spur, or industry track located on or adjacent to any  
19 railroad in the State.

20 "Eligible transferee" means any taxpayer that is subject  
21 to tax under the Illinois Income Tax Act.

22 "Qualified railroad reconstruction or replacement  
23 expenditures" means the gross expenditures incurred by the

1 eligible taxpayer in the taxable year for:

2 (1) maintenance, reconstruction, or replacement of  
3 railroad infrastructure;

4 (2) new construction of industrial leads, switches,  
5 spurs, and sidings in Illinois by a Class II or a Class III  
6 railroad; and

7 (3) extensions of existing sidings in Illinois by a  
8 Class II or a Class III railroad.

9 "Railroad infrastructure" means track, roadbed, bridges,  
10 industrial leads and sidings, and track-related structures  
11 owned or leased by a Class II or Class III railroad in Illinois  
12 as of January 1, 2024.

13 Section 10. Credit award. For taxable years that begin on  
14 or after January 1, 2026 and begin before January 1, 2036, an  
15 eligible taxpayer may apply to the Department, in the form and  
16 manner required by the Department by rule, for a credit  
17 against the tax imposed by subsections (a) and (b) of Section  
18 201 of the Illinois Income Tax Act. The credit under this Act  
19 shall be in an amount equal to 50% of the qualified railroad  
20 reconstruction or replacement expenditures incurred by the  
21 eligible taxpayer during the taxable year, not to exceed, for  
22 any eligible taxpayer in any taxable year, the product of: (i)  
23 \$3,500 or the amount per mile specified in subparagraph (A) of  
24 paragraph (1) of subsection (b) of 26 U.S.C. 45G as of the  
25 first day of the taxable year for which the credit is claimed

1 if the number specified in that Section at that time is not  
2 \$3,500; multiplied by (ii) the number of miles of railroad  
3 track that are owned or leased within the State by the eligible  
4 taxpayer and for which the taxpayer made qualified railroad  
5 reconstruction or replacement expenditures as of December 31  
6 of the taxable year for which the credit under this Act is  
7 claimed.

8 In no event shall a credit under this Section reduce the  
9 taxpayer's liability under subsections (a) and (b) of Section  
10 201 of the Illinois Income Tax Act to less than zero. If the  
11 amount of the credit exceeds the tax liability for the year,  
12 the excess may be carried forward and applied to the tax  
13 liability of the 5 taxable years following the excess credit  
14 year. The tax credit shall be applied to the earliest year for  
15 which there is a tax liability. If there are credits for more  
16 than one year that are available to offset a liability, the  
17 earlier credit shall be applied first. The credit under this  
18 Act is nonrefundable.

19 The Department may not award more than \$5,000,000 in  
20 credits under this Act in any calendar year.

21 Section 15. Credit certificate. The Department shall issue  
22 a tax credit certificate to each eligible taxpayer who is  
23 awarded tax credits under this Act. The eligible taxpayer  
24 shall attach the tax credit certificate to the eligible  
25 taxpayer's Illinois income tax return.

1 Section 20. Transferability; written agreement required.  
2 An eligible taxpayer may transfer the credit awarded under  
3 this Act by written agreement with an eligible transferee. The  
4 amount of the transferred credit is limited to the unused,  
5 remaining portion of the credit.

6 The eligible taxpayer and the eligible transferee must  
7 jointly file a copy of the written transfer agreement with the  
8 Department within 30 days of the transfer. The written  
9 agreement must contain:

10 (1) the name, address, and taxpayer identification  
11 number of the parties to the transfer;

12 (2) the taxable year in which the eligible taxpayer  
13 incurred the qualified railroad reconstruction or  
14 replacement expenditures;

15 (3) the amount of credit being transferred; and

16 (4) the taxable year or years for which the  
17 transferred credit may be claimed by the eligible  
18 transferee.

19 If approved, the Department must issue a credit  
20 certificate to the eligible transferee within 30 days of the  
21 joint filing of a copy of the written transfer agreement with  
22 the Department.

23 In the case of an audit or assessment, the transferee is  
24 liable for the repayment of credits claimed under this Section  
25 in excess of the allowed amount.

1           Section 25. Pass-through entities. For partners and  
2 shareholders of Subchapter S corporations, the provisions of  
3 Section 251 of the Illinois Income Tax Act shall apply with  
4 respect to the credit under this Act.

5           Section 30. Rules; powers of the Department. The  
6 Department of Transportation, in conjunction with the  
7 Department of Revenue, has the power to carry out and  
8 effectuate the purposes and provisions of this Act, including,  
9 but not limited to, the power to:

10           (1) adopt rules deemed necessary and appropriate for  
11 the implementation of this Act;

12           (2) establish forms for applications, notifications,  
13 contracts, or any other agreements;

14           (3) assist taxpayers pursuant to the provisions of  
15 this Act and cooperate with taxpayers that are parties to  
16 agreements under this Act; and

17           (4) take whatever actions are necessary or appropriate  
18 to protect the State's interest in the event of  
19 bankruptcy, default, foreclosure, or noncompliance with  
20 the terms and conditions of financial assistance or  
21 participation required under this Act, including the power  
22 to sell, dispose, lease, or rent, upon terms and  
23 conditions determined by the Director to be appropriate,  
24 real or personal property that the Department may receive

1 as a result of these actions.

2 Section 35. Terms and conditions. Any documentary  
3 materials or data made available or received from an applicant  
4 by any agent or employee of the Department are confidential  
5 and are not public records to the extent that the materials or  
6 data consist of commercial or financial information regarding  
7 the operation of or the production of the applicant or  
8 recipient of any tax credit award under this Act.

9 Section 40. Repeal. This Act is repealed on January 1,  
10 2037.

11 Section 900. The Freedom of Information Act is amended by  
12 changing Section 7.5 as follows:

13 (5 ILCS 140/7.5)

14 Sec. 7.5. Statutory exemptions. To the extent provided for  
15 by the statutes referenced below, the following shall be  
16 exempt from inspection and copying:

17 (a) All information determined to be confidential  
18 under Section 4002 of the Technology Advancement and  
19 Development Act.

20 (b) Library circulation and order records identifying  
21 library users with specific materials under the Library  
22 Records Confidentiality Act.

1           (c) Applications, related documents, and medical  
2 records received by the Experimental Organ Transplantation  
3 Procedures Board and any and all documents or other  
4 records prepared by the Experimental Organ Transplantation  
5 Procedures Board or its staff relating to applications it  
6 has received.

7           (d) Information and records held by the Department of  
8 Public Health and its authorized representatives relating  
9 to known or suspected cases of sexually transmitted  
10 infection or any information the disclosure of which is  
11 restricted under the Illinois Sexually Transmitted  
12 Infection Control Act.

13           (e) Information the disclosure of which is exempted  
14 under Section 30 of the Radon Industry Licensing Act.

15           (f) Firm performance evaluations under Section 55 of  
16 the Architectural, Engineering, and Land Surveying  
17 Qualifications Based Selection Act.

18           (g) Information the disclosure of which is restricted  
19 and exempted under Section 50 of the Illinois Prepaid  
20 Tuition Act.

21           (h) Information the disclosure of which is exempted  
22 under the State Officials and Employees Ethics Act, and  
23 records of any lawfully created State or local inspector  
24 general's office that would be exempt if created or  
25 obtained by an Executive Inspector General's office under  
26 that Act.

1           (i) Information contained in a local emergency energy  
2 plan submitted to a municipality in accordance with a  
3 local emergency energy plan ordinance that is adopted  
4 under Section 11-21.5-5 of the Illinois Municipal Code.

5           (j) Information and data concerning the distribution  
6 of surcharge moneys collected and remitted by carriers  
7 under the Emergency Telephone System Act.

8           (k) Law enforcement officer identification information  
9 or driver identification information compiled by a law  
10 enforcement agency or the Department of Transportation  
11 under Section 11-212 of the Illinois Vehicle Code.

12           (l) Records and information provided to a residential  
13 health care facility resident sexual assault and death  
14 review team or the Executive Council under the Abuse  
15 Prevention Review Team Act.

16           (m) Information provided to the predatory lending  
17 database created pursuant to Article 3 of the Residential  
18 Real Property Disclosure Act, except to the extent  
19 authorized under that Article.

20           (n) Defense budgets and petitions for certification of  
21 compensation and expenses for court appointed trial  
22 counsel as provided under Sections 10 and 15 of the  
23 Capital Crimes Litigation Act (repealed). This subsection  
24 (n) shall apply until the conclusion of the trial of the  
25 case, even if the prosecution chooses not to pursue the  
26 death penalty prior to trial or sentencing.

1           (o) Information that is prohibited from being  
2 disclosed under Section 4 of the Illinois Health and  
3 Hazardous Substances Registry Act.

4           (p) Security portions of system safety program plans,  
5 investigation reports, surveys, schedules, lists, data, or  
6 information compiled, collected, or prepared by or for the  
7 Department of Transportation under Sections 2705-300 and  
8 2705-616 of the Department of Transportation Law of the  
9 Civil Administrative Code of Illinois, the Regional  
10 Transportation Authority under Section 2.11 of the  
11 Regional Transportation Authority Act, or the St. Clair  
12 County Transit District under the Bi-State Transit Safety  
13 Act (repealed).

14           (q) Information prohibited from being disclosed by the  
15 Personnel Record Review Act.

16           (r) Information prohibited from being disclosed by the  
17 Illinois School Student Records Act.

18           (s) Information the disclosure of which is restricted  
19 under Section 5-108 of the Public Utilities Act.

20           (t) (Blank).

21           (u) Records and information provided to an independent  
22 team of experts under the Developmental Disability and  
23 Mental Health Safety Act (also known as Brian's Law).

24           (v) Names and information of people who have applied  
25 for or received Firearm Owner's Identification Cards under  
26 the Firearm Owners Identification Card Act or applied for

1 or received a concealed carry license under the Firearm  
2 Concealed Carry Act, unless otherwise authorized by the  
3 Firearm Concealed Carry Act; and databases under the  
4 Firearm Concealed Carry Act, records of the Concealed  
5 Carry Licensing Review Board under the Firearm Concealed  
6 Carry Act, and law enforcement agency objections under the  
7 Firearm Concealed Carry Act.

8 (v-5) Records of the Firearm Owner's Identification  
9 Card Review Board that are exempted from disclosure under  
10 Section 10 of the Firearm Owners Identification Card Act.

11 (w) Personally identifiable information which is  
12 exempted from disclosure under subsection (g) of Section  
13 19.1 of the Toll Highway Act.

14 (x) Information which is exempted from disclosure  
15 under Section 5-1014.3 of the Counties Code or Section  
16 8-11-21 of the Illinois Municipal Code.

17 (y) Confidential information under the Adult  
18 Protective Services Act and its predecessor enabling  
19 statute, the Elder Abuse and Neglect Act, including  
20 information about the identity and administrative finding  
21 against any caregiver of a verified and substantiated  
22 decision of abuse, neglect, or financial exploitation of  
23 an eligible adult maintained in the Registry established  
24 under Section 7.5 of the Adult Protective Services Act.

25 (z) Records and information provided to a fatality  
26 review team or the Illinois Fatality Review Team Advisory

1 Council under Section 15 of the Adult Protective Services  
2 Act.

3 (aa) Information which is exempted from disclosure  
4 under Section 2.37 of the Wildlife Code.

5 (bb) Information which is or was prohibited from  
6 disclosure by the Juvenile Court Act of 1987.

7 (cc) Recordings made under the Law Enforcement  
8 Officer-Worn Body Camera Act, except to the extent  
9 authorized under that Act.

10 (dd) Information that is prohibited from being  
11 disclosed under Section 45 of the Condominium and Common  
12 Interest Community Ombudsperson Act.

13 (ee) Information that is exempted from disclosure  
14 under Section 30.1 of the Pharmacy Practice Act.

15 (ff) Information that is exempted from disclosure  
16 under the Revised Uniform Unclaimed Property Act.

17 (gg) Information that is prohibited from being  
18 disclosed under Section 7-603.5 of the Illinois Vehicle  
19 Code.

20 (hh) Records that are exempt from disclosure under  
21 Section 1A-16.7 of the Election Code.

22 (ii) Information which is exempted from disclosure  
23 under Section 2505-800 of the Department of Revenue Law of  
24 the Civil Administrative Code of Illinois.

25 (jj) Information and reports that are required to be  
26 submitted to the Department of Labor by registering day

1 and temporary labor service agencies but are exempt from  
2 disclosure under subsection (a-1) of Section 45 of the Day  
3 and Temporary Labor Services Act.

4 (kk) Information prohibited from disclosure under the  
5 Seizure and Forfeiture Reporting Act.

6 (ll) Information the disclosure of which is restricted  
7 and exempted under Section 5-30.8 of the Illinois Public  
8 Aid Code.

9 (mm) Records that are exempt from disclosure under  
10 Section 4.2 of the Crime Victims Compensation Act.

11 (nn) Information that is exempt from disclosure under  
12 Section 70 of the Higher Education Student Assistance Act.

13 (oo) Communications, notes, records, and reports  
14 arising out of a peer support counseling session  
15 prohibited from disclosure under the First Responders  
16 Suicide Prevention Act.

17 (pp) Names and all identifying information relating to  
18 an employee of an emergency services provider or law  
19 enforcement agency under the First Responders Suicide  
20 Prevention Act.

21 (qq) Information and records held by the Department of  
22 Public Health and its authorized representatives collected  
23 under the Reproductive Health Act.

24 (rr) Information that is exempt from disclosure under  
25 the Cannabis Regulation and Tax Act.

26 (ss) Data reported by an employer to the Department of

1 Human Rights pursuant to Section 2-108 of the Illinois  
2 Human Rights Act.

3 (tt) Recordings made under the Children's Advocacy  
4 Center Act, except to the extent authorized under that  
5 Act.

6 (uu) Information that is exempt from disclosure under  
7 Section 50 of the Sexual Assault Evidence Submission Act.

8 (vv) Information that is exempt from disclosure under  
9 subsections (f) and (j) of Section 5-36 of the Illinois  
10 Public Aid Code.

11 (ww) Information that is exempt from disclosure under  
12 Section 16.8 of the State Treasurer Act.

13 (xx) Information that is exempt from disclosure or  
14 information that shall not be made public under the  
15 Illinois Insurance Code.

16 (yy) Information prohibited from being disclosed under  
17 the Illinois Educational Labor Relations Act.

18 (zz) Information prohibited from being disclosed under  
19 the Illinois Public Labor Relations Act.

20 (aaa) Information prohibited from being disclosed  
21 under Section 1-167 of the Illinois Pension Code.

22 (bbb) Information that is prohibited from disclosure  
23 by the Illinois Police Training Act and the Illinois State  
24 Police Act.

25 (ccc) Records exempt from disclosure under Section  
26 2605-304 of the Illinois State Police Law of the Civil

1 Administrative Code of Illinois.

2 (ddd) Information prohibited from being disclosed  
3 under Section 35 of the Address Confidentiality for  
4 Victims of Domestic Violence, Sexual Assault, Human  
5 Trafficking, or Stalking Act.

6 (eee) Information prohibited from being disclosed  
7 under subsection (b) of Section 75 of the Domestic  
8 Violence Fatality Review Act.

9 (fff) Images from cameras under the Expressway Camera  
10 Act. This subsection (fff) is inoperative on and after  
11 July 1, 2025.

12 (ggg) Information prohibited from disclosure under  
13 paragraph (3) of subsection (a) of Section 14 of the Nurse  
14 Agency Licensing Act.

15 (hhh) Information submitted to the Illinois State  
16 Police in an affidavit or application for an assault  
17 weapon endorsement, assault weapon attachment endorsement,  
18 .50 caliber rifle endorsement, or .50 caliber cartridge  
19 endorsement under the Firearm Owners Identification Card  
20 Act.

21 (iii) Data exempt from disclosure under Section 50 of  
22 the School Safety Drill Act.

23 (jjj) Information exempt from disclosure under Section  
24 30 of the Insurance Data Security Law.

25 (kkk) Confidential business information prohibited  
26 from disclosure under Section 45 of the Paint Stewardship

1 Act.

2 (lll) Data exempt from disclosure under Section  
3 2-3.196 of the School Code.

4 (mmm) Information prohibited from being disclosed  
5 under subsection (e) of Section 1-129 of the Illinois  
6 Power Agency Act.

7 (nnn) Materials received by the Department of Commerce  
8 and Economic Opportunity that are confidential under the  
9 Music and Musicians Tax Credit and Jobs Act.

10 (ooo) ~~(nnn)~~ Data or information provided pursuant to  
11 Section 20 of the Statewide Recycling Needs and Assessment  
12 Act.

13 (ppp) ~~(nnn)~~ Information that is exempt from disclosure  
14 under Section 28-11 of the Lawful Health Care Activity  
15 Act.

16 (qqq) ~~(nnn)~~ Information that is exempt from disclosure  
17 under Section 7-101 of the Illinois Human Rights Act.

18 (rrr) ~~(mmm)~~ Information prohibited from being  
19 disclosed under Section 4-2 of the Uniform Money  
20 Transmission Modernization Act.

21 (sss) ~~(nnn)~~ Information exempt from disclosure under  
22 Section 40 of the Student-Athlete Endorsement Rights Act.

23 (ttt) Information that is confidential under Section  
24 35 of the Short Line Railroad Infrastructure Modernization  
25 Act.

26 (Source: P.A. 102-36, eff. 6-25-21; 102-237, eff. 1-1-22;

1 102-292, eff. 1-1-22; 102-520, eff. 8-20-21; 102-559, eff.  
2 8-20-21; 102-813, eff. 5-13-22; 102-946, eff. 7-1-22;  
3 102-1042, eff. 6-3-22; 102-1116, eff. 1-10-23; 103-8, eff.  
4 6-7-23; 103-34, eff. 6-9-23; 103-142, eff. 1-1-24; 103-372,  
5 eff. 1-1-24; 103-472, eff. 8-1-24; 103-508, eff. 8-4-23;  
6 103-580, eff. 12-8-23; 103-592, eff. 6-7-24; 103-605, eff.  
7 7-1-24; 103-636, eff. 7-1-24; 103-724, eff. 1-1-25; 103-786,  
8 eff. 8-7-24; 103-859, eff. 8-9-24; 103-991, eff. 8-9-24;  
9 103-1049, eff. 8-9-24; revised 11-26-24.)

10 Section 905. The Illinois Income Tax Act is amended by  
11 adding Section 246 as follows:

12 (35 ILCS 5/246 new)

13 Sec. 246. Short Line Railroad Infrastructure Modernization  
14 Act. Taxpayers who are awarded a credit by the Department of  
15 Transportation under the Short Line Railroad Infrastructure  
16 Modernization Act may claim a credit against the tax imposed  
17 by subsections (a) and (b) of Section 201 as provided in that  
18 Act.

19 Section 999. Effective date. This Act takes effect upon  
20 becoming law.