

RAIL INFRASTRUCTURE MODERNIZATION TAX CREDIT

TAX CREDITS TO MODERNIZE THE STATE'S RAILWAYS

The **Rail Infrastructure Modernization Tax Credit** was created in 2026 to incentivize modernizing rail infrastructure and/or reactivating inactive rail infrastructure.

Eligibility criteria

The Wisconsin Economic Development Corporation (WEDC) may certify these types of entities as eligible for this type of tax credit:

- Class II or III railroad owners or carriers
- Owners/lessees of sidings, spurs, or industry tracks on or adjacent to a railroad
- Local governments

These costs are eligible to be certified as qualified new rail expenditures:

- Right of way acquisition
- Engineering
- Construction of new track, such as industrial leads, sidings, spurs, and switches
- Reactivation/rehabilitation of existing inactive track

The credits may be verified for an amount up to 50% of qualified expenses, subject to other applicable criteria.

How it works

WEDC will enter into contracts with applicants that are certified to claim these tax credits. Certified entities may claim the credits for qualified new rail expenditures or maintenance expenses for taxable years beginning after Dec. 31, 2025, and before Jan. 1, 2031. Applicants cannot be certified to claim both the Rail Infrastructure Maintenance Tax Credit and the Rail Infrastructure Modernization Tax Credit for the same expenditure, nor for any expenditure outside of the eligible tax years. The credits are transferable with authorization from the Wisconsin Department of Revenue.

LEARN MORE ABOUT THE
RAIL INFRASTRUCTURE
MODERNIZATION TAX
CREDIT PROGRAM

For more information about
the Rail Infrastructure
Modernization Tax Credit
Program, please contact:

Ann Hyra

Business and Community
Development Program
Manager, WEDC
Tel. 608.210.6847
Email: ann.hyra@wedc.org