

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax

Issue: Railroad Credit

Bill Number(s): HB 7031

Entire Bill

Partial Bill: Section 28

Sponsor(s): Representative Duggan

Month/Year Impact Begins: January 1, 2026

Date(s) Conference Reviewed: February 27, 2026

Section 1: Narrative

a. Current Law:

(b) "Qualifying railroad" means any Class II or Class III railroad operating in this state on the last day of the calendar year prior to the taxable year for which the credit is claimed, pursuant to the classifications in effect for that year as set by the United States Surface Transportation Board or its successor.

-The credit is limited to \$3,500 multiplied by the number of railroad track miles owned or leased in Florida by a qualifying railroad.

b. Proposed Change:

(b) "Qualifying railroad" means any Class II or Class III railroad operating in this state; and, for taxable years beginning on or after January 1, 2026, and before December 31, 2026, any railroad operating exclusively within this state; on the last day of the calendar year prior to the taxable year for which the credit is claimed, pursuant to the classifications in effect for that year as set by the United States Surface Transportation Board or its successor.

Section 2: Description of Data and Sources

FDOT Rail Plan

Section 3: Methodology (Include Assumptions and Attach Details)

Under current law only Class II and III railroads are eligible to receive the Credit for qualified railroad reconstruction or replacement expenditures. The changes made to the language would allow Florida exclusive railroads to also claim credits for calendar year 2026. The only Florida exclusive railroad who owns or leases their track is the Brightline which owns 235 miles of track. The estimate assumes 100% of the 235 miles would be eligible for the \$3,500 per mile credit resulting in an impact of 0.8 M in 2026-27.

Section 4: Proposed Revenue Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2026-27			\$(0.8 M)	\$0		
2027-28			\$0	\$0		
2028-29			\$0	\$0		
2029-30			\$0	\$0		
2030-31			\$0	\$0		

Revenue Distribution: Corporate Income Tax

Section 5: Consensus Estimate (Adopted: 02/27/2026) The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2025-26	(0.8)	0.0	0.0	0.0	0.0	0.0	(0.8)	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2027-28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2028-29	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2029-30	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	A	B	C
1	Class II Railroads	Miles Owned	
2	Florida East Coast Railway	562.20	
3	Class III Railroads		
4	Alabama & Gulf Coast Railway LLC	53.57	
5	Apalachicola Northern Railway	114.82	
6	The Bay Line Railroad, LLC	96.37	
7	City of Pensacola (Port of Pensacola)	1.64	
8	Duke Energy	10.33	
9	Florida Central Railroad	80.73	
10	First Coast Railroad	21.47	
11	Florida Gulf & Atlantic Railroad LLC	407.06	
12	Florida Midland Railroad	33.70	
13	Florida Northern Railroad	96.64	
14	Georgia and Florida Railway	46.36	
15	Georgia Pacific Railway	8.36	
16	Jacksonville Port Terminal Railroad	6.70	
17	Port Manatee Railroad	2.27	
18	Orlando Utilities Commission	25.27	
19	Port of Palm Beach District Railway	1.66	
20	South Central Florida Express	168.06	
21	Seminole Gulf Railway	107.51	
22	United States Government	34.65	
23	US Sugar Railroad	60.10	
24	Florida Power & Light Company	21.41	
25	Port Everglades Authority	2.20	
26	Total Class II and Class III Miles	1,963.0	
27			
28	Florida Exclusive Railways Owning track	Miles Owned	
29	Intercity Passenger Rail		
30	Brightline	235.0	
31			
32	percentage of available credits taken	100%	
33			
34	Impact	Middle	
35		Cash	Recurring
36	2026-27	\$(0.8 M)	\$0
37	2027-28	\$0	\$0
38	2028-29	\$0	\$0
39	2029-30	\$0	\$0
40	2030-31	\$0	\$0