FISCAL NOTE

House Bill 190

Committee: Finance and Taxation Education Sponsor: Representative Alan Baker

Analyst: Riley Aaron Date: 03/04/2026

House Bill 190 as passed the House of Representatives amends the Railroad Modernization Act of 2019 to extend the program, which would sunset under current law on December 31 2027, to December 31, 2032. This bill would extend the existing cap amounts provided under current law, as shown below, for the income tax credit provided by this program for tax years 2028 through 2032:

(1) $4,100 per-mile annual cap on the income tax credit available;

(2) aggregate annual cap of $4.5 million of credits that may be claimed; and

(3) $22.5 million cumulative cap on credits over this 5-year period.

These provisions could reduce potential receipts to the Education Trust Fund by a maximum of $4.5 million annually in fiscal years 2029 through 2033 ($22.5 million total) dependent on the actual amount of tax credits claimed each year. According to the Department of Revenue, $4.6 million in tax credits were claimed in tax year 2023 and $2.5 million in tax credits were claimed in tax year 2024.