



ASSOCIATION OF
AMERICAN RAILROADS

John T. Gray
Senior Vice President - Policy & Economics

The Honorable Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW.
Washington, DC 20423-0001

232373 May 30, 2012
ENTERED
Office of Proceedings
May 30, 2012
Part of
Public Record

Re: Ex Parte No. 682, Annual Submission of State Tax Information for Use in the Revenue Shortfall Allocation Method (2011)

Dear Ms. Brown:

This submission by the Association of American Railroads (AAR) is the AAR's calculation of the 2011 weighted average state tax rate for each Class I railroad, filed in pursuant to 49 C.F.R. § 1135.2, as adopted by the Board in Ex Parte No. 682, *Annual Submission of State Tax Information for Use in the Revenue Shortfall Allocation Method*, served February 26, 2010. The methodology used to calculate each weighted average state tax rate is the same as what was used in the AAR's prior year calculation.

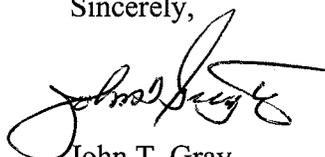
Weighted Average State Tax Rates

<u>Railroad</u>	<u>2011</u>	<u>2010</u>	<u>Percentage Point Change</u>
BNSF Railway Company	5.584%	5.572%	0.012%
CSX Transportation, Inc.	5.660%	5.575%	0.085%
Grand Trunk Corporation	8.089%	7.634%	0.455%
The Kansas City Southern Rwy	6.139%	6.070%	0.069%
Norfolk Southern Combined	5.942%	5.819%	0.123%
Soo Line Corporation	7.350%	7.305%	0.045%
Union Pacific Railroad Company	6.035%	5.922%	0.113%

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All calculations are included in the AAR's submission. Workpapers consist of copies of Schedules 702 and 210 from the railroads' Annual Report Form R-1. Railroads have reviewed the calculations. A copy of the workpapers underlying this submission are included in the AAR's filing. Questions should be directed to me or Clyde Crimmel (202 639-2309) of this office.

Sincerely,



John T. Gray

Attachments

**Before the
Surface Transportation Board**

Ex Parte No. 682

**Annual Submission of Tax Information for Use
in the Revenue Shortfall Allocation Method**

**2011
Weighted Average State Tax Rates**

**Policy and Economics Department
Association of American Railroads**

May 30, 2012

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Introduction

On February 26, 2010, the Surface Transportation Board served a decision in STB Ex Parte No. 682, *Annual Submission of Tax Information for Use in the Revenue Shortfall Allocation Method*, that amends 49 CFR Part 1135 to add a rule that requires the Association of American Railroads (AAR) to annually update each Class I railroad's weighted average state tax rate for use in the Revenue Shortfall Allocation Method (RSAM). The calculation must be submitted by May 30 of each year.

The methodology used by the AAR to calculate the weighted average state tax rates is the same as was used in all calculations since 2008. The AAR's 2008 weighted average state tax rate calculations were adopted by the Surface Transportation Board in its Ex Parte No. 646 (Sub-No. 2), Simplified Standards for Rail Rate Cases – Taxes in Revenue Shortfall Allocation Method (served January 22, 2010). The AAR's calculation submitted herein is for 2011.

Sources

There are two major sources for these calculations. The first major source is Annual Report Form R-1, which is submitted by each Class I railroad to the Board. The STB instructed the AAR to weight state tax rates using miles operated in each state for each railroad. As the STB noted, mileage operated in each state can be found in column (g) of Schedule 702 (Miles of Road at Close of Year - By States and Territories) of each R-1. Additional information from the R-1's Schedule 210 (Results of Operations) has been used to calculate tax rates for Texas.

The second major source is a web site table with state corporate tax information published by the Tax Foundation, a nonpartisan research and education group based in Washington, DC. The Class I railroads provided additional information regarding tax rates, either to confirm the Tax Foundation rates or to document exceptions that apply to railroads operating in specific states.

Notes

A higher tax rate (including surcharge) in Illinois was a major cause of higher average rates.

State Miles Operated for 2011

State	BNSF	CNGT	CSX	KCS	NS	SOO	UP	Total	
Alabama	300	26	1,014	0	1,330	0	0	2,670	AL
Arizona	595	0	0	0	0	0	642	1,237	AZ
Arkansas	1,047	0	0	162	0	0	1,327	2,536	AR
California	2,125	0	0	0	0	0	3,287	5,412	CA
Colorado	1,402	0	0	0	0	0	1,535	2,937	CO
Connecticut	0	0	68	0	0	0	0	68	CT
Delaware	0	0	44	0	203	0	0	247	DE
Dist. of Columbia	0	0	20	0	13	0	0	33	DC
Florida	0	0	1,646	0	149	0	0	1,795	FL
Georgia	0	0	1,614	0	1,778	0	0	3,392	GA
Idaho	117	0	0	0	0	0	849	966	ID
Illinois	1,552	1,288	915	182	1,260	393	2,202	7,792	IL
Indiana	0	104	1,635	0	1,491	154	4	3,388	IN
Iowa	673	574	0	0	44	656	1,400	3,347	IA
Kansas	1,709	0	0	18	2	0	2,205	3,934	KS
Kentucky	99	98	1,638	0	431	0	12	2,278	KY
Louisiana	348	239	43	737	76	0	1,137	2,580	LA
Maine	0	0	0	0	0	0	0	0	ME
Maryland	0	0	554	0	269	0	0	823	MD
Massachusetts	0	0	393	0	0	0	0	393	MA
Michigan	0	932	559	0	488	80	0	2,059	MI
Minnesota	1,686	380	0	0	0	1,725	646	4,437	MN
Mississippi	179	754	94	607	211	0	0	1,845	MS
Missouri	1,711	0	13	396	409	144	1,482	4,155	MO
Montana	1,960	0	0	0	0	0	125	2,085	MT
Nebraska	1,529	0	0	0	0	41	1,068	2,638	NE
Nevada	805	0	0	0	0	0	1,192	1,997	NV
New Hampshire	0	0	0	0	0	0	0	0	NH
New Jersey	0	0	648	0	933	68	0	1,649	NJ
New Mexico	1,357	0	0	0	0	0	618	1,975	NM
New York	0	0	1,288	0	751	561	0	2,600	NY
North Carolina	0	0	1,126	0	1,297	0	0	2,423	NC
North Dakota	1,714	0	0	0	0	482	0	2,196	ND
Ohio	0	4	1,893	0	2,208	30	0	4,135	OH
Oklahoma	1,409	0	0	151	0	0	1,173	2,733	OK
Oregon	386	0	0	0	0	0	1,073	1,459	OR
Pennsylvania	0	156	1,044	0	2,281	451	0	3,932	PA
Rhode Island	0	0	0	0	0	0	0	0	RI
South Carolina	0	0	1,286	0	783	0	0	2,069	SC
South Dakota	926	0	0	0	0	724	0	1,650	SD
Tennessee	144	161	1,005	5	847	0	14	2,176	TN
Texas	5,110	0	0	821	0	0	6,319	12,250	TX
Utah	433	0	0	0	0	0	1,249	1,682	UT
Vermont	0	0	0	0	0	0	0	0	VT
Virginia	0	0	1,054	0	2,079	0	0	3,133	VA
Washington	1,633	0	0	0	0	0	532	2,165	WA
West Virginia	0	0	1,298	0	806	0	0	2,104	WV
Wisconsin	273	1,361	0	0	0	622	928	3,184	WI
Wyoming	970	0	0	0	0	7	879	1,856	WY
Total U.S.	32,192	6,077	20,892	3,079	20,139	6,138	31,898	120,415	
Canada	111	0	106	0	2	0	0	219	
Grand Total	32,303	6,077	20,998	3,079	20,141	6,138	31,898	120,634	

Note: There is no Class I railroad mileage in Alaska, Hawaii, Maine, New Hampshire, Rhode Island, or Vermont. Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

State Tax Rates Used for 2011

State	Inc. Tax Rate	Comments
Alabama	6.500%	
Arizona	6.968%	
Arkansas	6.500%	
California	8.840%	
Colorado	4.630%	
Connecticut	0.000%	Sole railroad reports in operating expense, so tax rate changed to 0.
Delaware	8.700%	
Dist. of Columbia	9.975%	
Florida	5.500%	
Georgia	6.000%	
Idaho	7.600%	
Illinois	9.500%	*** 7.0% income tax +2.5% "replacement tax"
Indiana	8.500%	
Iowa	12.000%	
Kansas	7.000%	*** 4% plus 3.0% surtax (previous year surtax was 3.05%)
Kentucky	6.000%	
Louisiana	8.000%	
Maine	*	No Class I mileage
Maryland	8.250%	
Massachusetts	6.500%	Railroads use a Utility tax rate instead of corporate rate.
Michigan	6.039%	4.95% plus a 21.99% surcharge --- $4.95 \times 1.2199 = 6.038505\%$
Minnesota	9.800%	
Mississippi	5.000%	
Missouri	6.250%	
Montana	6.750%	7.0% if Water's Edge election (no Class I railroads have elected this)
Nebraska	7.810%	
Nevada	0.000%	None.
New Hampshire	*	No Class I mileage
New Jersey	0.000%	Reported in operating expense, rate changed to zero.
New Mexico	7.600%	
New York	0.000%	Reported in operating expense, rate changed to zero.
North Carolina	6.900%	*** No surcharge for 2011
North Dakota	5.150%	*** Lower rate for 2011, Fondation has 2010 rate. Water's Edge Election add 3.5% pt.
Ohio	0.000%	Income tax fully phased out and replaced with a franchise fee.
Oklahoma	6.000%	
Oregon	7.600%	*** Tax rate change
Pennsylvania	9.990%	
Rhode Island	*	No Class I mileage
South Carolina	5.000%	
South Dakota	0.000%	None.
Tennessee	6.500%	
Texas	*	Calculated using 70% of Operating Revenue taxed at 1%, results may differ from last year.
Utah	5.000%	
Vermont	*	No Class I mileage
Virginia	6.000%	
Washington	0.000%	None.
West Virginia	8.500%	
Wisconsin	7.900%	
Wyoming	0.000%	None.

Notes:

There is no Class I railroad mileage in Alaska, Hawaii, or states marked with an "***" (except TX), rates are not collected here. Tax rates are from the web site of the Tax Foundation, Washington, DC, with adjustments by the AAR if necessary. See Appendix B for tax rates that have been adjusted by the AAR from Tax Foundation number. "****" in comments notes that tax rate is changed from prior year.

Results of Calculations for 2011

Average State Corporate Income Tax Rate

Railroad	2011	2010	Difference
BNSF	5.584 %	5.572 %	0.012 % Pts.
CSX	5.660	5.575	0.085
CNGT	8.089	7.634	0.455
KCS	6.139	6.070	0.069
NS	5.942	5.819	0.123
SOO	7.350	7.305	0.045
UP	6.035	5.922	0.113

State Corporate Income Tax Rates As of January 1st, 2011

State	Rates		Brackets(a)
Ala.	6.5%	>	\$0
Alaska	1.0%	>	\$0
	2.0%	>	\$10K
	3.0%	>	\$20K
	4.0%	>	\$30K
	5.0%	>	\$40K
	6.0%	>	\$50K
	7.0%	>	\$60K
	8.0%	>	\$70K
	9.0%	>	\$80K
	9.4%	>	\$90K
Ariz.	6.968%	>	\$0
Ark.	1.0%	>	\$0
	2.0%	>	\$3K
	3.0%	>	\$6K
	5.0%	>	\$11K
	6.0%	>	\$25K
	6.5%	>	\$100K
Calif.	8.84%	>	\$0
Colo.	4.63%	>	\$0
Conn.	7.5%	>	\$0
Del. (a)	8.7%	>	\$0
Fla.	5.5%	>	\$0
Ga.	6.0%	>	\$0
Hawaii	4.4%	>	\$0
	5.4%	>	\$25K
	6.4%	>	\$100K
Idaho	7.6%	>	\$0
Ill. (c)	9.5%	>	\$0
Ind.	8.5%	>	\$0
Iowa	6.0%	>	\$0
	8.0%	>	\$25K
	10.0%	>	\$100K
	12.0%	>	\$250K
Kans.	4.0%	>	\$0
	7.0%	>	\$50K
Ky.	4.0%	>	\$0
	5.0%	>	\$50K
	6.0%	>	\$100K
La.	4.0%	>	\$0
	5.0%	>	\$25K
	6.0%	>	\$50K
	7.0%	>	\$100K
	8.0%	>	\$200K
Maine	3.5%	>	\$0
	7.93%	>	\$25K

State Corporate Income Tax Rates As of January 1st, 2011

State	Rates		Brackets(a)
	8.33%	>	\$75K
	8.93%	>	\$250K
Md.	8.25%	>	\$0
Mass.	8.25%	>	\$0
Mich. (a)			
Minn.	9.8%	>	\$0
Miss.	3.0%	>	\$0
	4.0%	>	\$5K
	5.0%	>	\$10K
Mo.	6.25%	>	\$0
Mont.	6.75%	>	\$0
Nebr.	5.58%	>	\$0
	7.81%	>	\$100K
Nev.		None	
N.H. (a)	8.5%	>	\$0
N.J. (b)	9.0%	>	\$100K
N.M.	4.8%	>	\$0
	6.4%	>	\$500K
	7.6%	>	\$1M
N.Y.	7.1%	>	\$0
N.C.	6.9%	>	\$0
N.D.	2.1%	>	\$0
	5.25%	>	\$25K
	6.4%	>	\$50K
Ohio (a)			
Okla.	6.0%	>	\$0
Ore.	6.6%	>	0
	7.6%	>	\$250K
Pa.	9.99%	>	\$0
R.I.	9.0%	>	0
S.C.	5.0%	>	\$0
S.D.		None	
Tenn.	6.5%	>	\$0
Tex. (a)			
Utah	5.0%	>	\$0
Vt. 6%	6.0%	>	0
	7.0%	>	\$10K
	8.5%	>	\$25K
Va. (a)	6.0%	>	\$0
Wash. (a)		None	
W.Va.	8.5%	>	\$0
Wis.	7.9%	>	0
Wyo.		None	
D.C.	9.975%	>	0

State Corporate Income Tax Rates As of January 1st, 2011

<u>State</u>	<u>Rates</u>	<u>Brackets(a)</u>
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Note: In addition to regular income taxes, many states impose other taxes on corporations such as gross receipts taxes and franchise taxes. Some states also impose an alternative minimum tax.

(a) Michigan, Ohio, Texas, and Washington do not have a corporate income tax but do have a gross receipts tax with rates not strictly comparable to corporate income tax rates. See Table 18 for more information. Delaware, New Hampshire, and Virginia have a gross receipts tax in addition to the corporate income tax.

(b) Businesses with entire net income greater than \$100K pay 9% on all taxable income, companies with entire net income greater than \$50K and less than or equal to \$100K pay 7.5% on all taxable income, and companies with entire net income less than or equal to \$50K pay 6.5% on all taxable income.

(c) On January 12, 2011, Illinois increased its corporate income tax from 7.3% to 9.5%, retroactive to January 1, 2011. Illinois's rate includes two separate corporate income taxes, one at a 7% rate and one at a 2.5% rate.

Source: Tax Foundation; state tax forms and instructions.

www.TaxFoundation.org



List of Adjustments to Tax Foundation Rates

State corporate income tax rates used for the Class I Railroads differ from the Tax Foundation for the following states. Appendix D contains information provided by the states.

	State Tax Rate		Comment
	Foundation	Railroad	
Connecticut	7.500%	none	Note 1 - Franchise Fee
Massachusetts	8.250%	6.5000%	Note 2 - Different Tax Rate for Railroads
Michigan	blank	6.0385%	Note 3 - Tax rate plus surcharge
New Jersey	9.000%	none	Note 1 - Franchise Fee
New York	7.100%	none	Note 1 - Franchise Fee
North Dakota	6.400%	5.1500%	Note 4, Note 5
Texas	blank	Varies	Note 6 - Texas

Note 1 - Franchise Fees

Some state taxes, for example franchise taxes, are not reported as income taxes by the railroads per requirements of Generally Accepted Accounting Practices (GAAP). Instead, those taxes are treated as franchise fees or similar items, and are reported as operating expenses in Schedule 410, Line 615, of Annual Report Form R-1. In those cases, state income tax rates reported by the Tax Foundation have been changed to zero. The states where this occurs are Connecticut, New Jersey, and New York. The same three states were changed to zero for 2008 through 2010.

Note 2 - Different Tax Rate for Railroads

In Massachusetts, railroads pay a "Utility Franchise Tax" instead of the normal tax. This amount is reported as an income tax in Annual Report Form R-1. This change has been made since 2008.

Note 3 - Surcharges

Some states may temporarily apply a surcharge or surtax to the normal tax rate. The Tax foundation says that Michigan's Business Tax is not strictly comparable to corporate income tax rates, but Michigan's tax form calls it "Business Income Tax".

Note 4 - Foundation's Rate Out of Date

The Tax Foundation uses the 2010 rate for North Dakota instead of the new 2011 rate.

Note 5 - Water's Edge Surcharge

For North Dakota, some companies may be required to file their tax return using a worldwide unitary combined report method. Those companies may elect to use the "Water's Edge" method. If this is the case, a 3.5 percent surtax is applied. Soo Line Railroad uses this method, and its North Dakota tax rate has been adjusted to 8.65 percent (5.15 state tax rate + 3.5 surtax).

Note 6 - Texas (see also Appendix F)

For Texas, railroads were taxed using a 1 percent tax rate on 70 percent of gross receipts, and the taxes are reported as income taxes. A carrier-specific tax rate for each Class I railroad has been calculated in Appendix F using the same procedure used for 2008. A key assumption in the calculation is that the ratio of Operating Revenue to Net Income Before Taxes is the same in all states where a carrier operates, which eliminates the need to make any revenue or cost allocations because the resulting tax rate (using the constant ratio) is the same using all revenue or a portion.

List of Tax Rates that Differ From 2010

Listed herein are tax rates, as found on page 3 of this year's report, that differ from the prior year (2010). Refer to Appendix D for tax information from the appropriate state.

	State Tax Rate		Comment
	2011	2010	
Illinois	9.500%	7.300%	New 7.0% inc. tax + 2.5% "replacement tax"
Kansas	7.000%	7.050%	4% plus 3.0% surtax (previous yr was 3.05%)
North Carolina	6.900%	7.107%	No surcharge this year
North Dakota	5.150%	6.400%	Lower rate this year
Oregon	7.600%	7.900%	Rate change
Texas	See comment		Varies each year by railroad



Step 5: Figure your net income

Table with 3 columns: Line number, Description, and Amount. Lines 35-39. Line 38 has a blacked-out amount.

Step 6: Figure your net replacement tax

Table with 3 columns: Line number, Description, and Amount. Lines 40-44.

Step 7: Figure your net income tax

Table with 3 columns: Line number, Description, and Amount. Lines 45-49.

Step 8: Figure your refund or balance due

Table with 3 columns: Line number, Description, and Amount. Lines 50-60.

Step 9: Sign here

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct, and complete.

Signature and information lines for authorized officer, preparer, and preparer firm.

Selected Kansas Tax Rates with Statutory Citation

						K.S.A.:
Bingo Tax						79-4704
Bingo faces	\$0.002					
Retail price - Instant	1.00%					
Car Line Tax/gross earnings						79-907
		2.5%				
Cigarette Tax						79-3310
Package of 20	\$0.79		Package of 25	\$0.99		
Corporation Tax						79-32,110
total taxable income @	4.00%	plus	3.05% surtax on taxable income over \$50,000	7.050% (TY09/10)		
total taxable income @	4.00%	plus	3.00% surtax on taxable income over \$50,000	7.000% (TY11)		
Corporate Franchise Tax						79-5401
	TY07 .125%; TY08 .09375%; TY09 .0625%; TY10 .03125% for entities \$1,000,000 or more					
	TY11 and after, no franchise tax.					
Drycleaning						
Environmental Surcharge/gross receipts		2.5%				65-34,141
Solvent Fee (chlorinated)/gallon		\$5.50				65-34,150
Solvent Fee (non-chlorinated)/gallon		\$0.55				65-34-151
Drug Stamp Tax						79-5202
<u>Marijuana:</u>			<u>Controlled Substance:</u>			
Processed -	\$3.50 per gram or portion of gram		Cont. Substance/gram or portion of gram-		\$200/gram or portion of gram	
Wet Plant -	\$0.40 per gram or portion of gram		Cont. Substance/50 dose unit or portion of unit-		\$2,000/50 dose unit or portion of unit	
Dry Plant -	\$0.90 per gram or portion of gram					
Environ. Fee/gallon petroleum product						65-34,117
	\$0.01		each of two funds has maximum and minimum limits			
Individual Income Tax						79-32,110
Tax Rates, Resident, married, joint						
taxable income not over	\$30,000	@	3.50%			
taxable income not over	\$60,000	@	\$1,050 plus	6.25%	over \$30,000	
taxable income over	\$60,000	@	\$2,925 plus	6.45%	over \$60,000	
Tax Rates, Resident, others						
taxable income not over	\$15,000	@	3.50%			
taxable income not over	\$30,000	@	\$525 plus	6.25%	of excess over \$15,000	
taxable income over	\$30,000	@	\$1,462.50 plus	6.45%	of excess over \$30,000	
Liquor Gallonage Tax						
Strong Beer and CMB/gallon		\$0.18				41-501
Alcohol & Sprints/gallon		\$2.50				41-501
Light Wine/gallon		\$0.30				41-501
Fortified Wine/gallon		\$0.75				41-501
Liquor Excise Tax (Drinking Establishments)						79-41a02
	10.00%		Gross receipts			
Liquor Enforcement (Liquor Stores)						79-4101
	8.00%		Gross receipts			
Mineral Tax						79-4217, 4219
Oil/gross taxable value	8.00%	with	3.67%	property tax credit		
Gas/gross taxable value	8.00%	with	3.67%	property tax credit		
Coal/ton	\$1.00					
Motor Fuel Tax/per Gallon						
Regular Motor Fuel/gallon		\$0.24				79-34,141
Gasohol/gallon		\$0.24				79-34,141
Diesel/gallon		\$0.26				79-34,141
LP-Gas/gallon		\$0.23				79-34,141
E-85/gallon		\$0.17				79-34,141
Compress Nat Gas/120 CF = gallon		\$0.23				KAR. 92-14-9
Trip Permits/each		\$13.00/24 hr; \$25.00/72 hr (eff 7/1/2006)				79-34,118
Oil Inspection Fee/barrel (50 gallons)						55-426
	\$0.015/barrel					
Prepaid Wireless 911 Fee						75-5133
	1.06%	per retail transaction				
Privilege Tax						
Banks	total net income @	2.25%	plus	2.125% surtax on taxable income over \$25,000	4.375%	79-1107
Trusts and S&Ls	total net income @	2.25%	plus	2.25% surtax on taxable income over \$25,000	4.50%	79-1108
Property Tax (State levy) Assessed Valuation						76-6b01
			1.5 mills			
State School District Finance Levy						76-6b02
			20 mills			
Sales and Use Tax						
State Retailers Sales Tax		6.3%	eff July 1 2010			79-3603
State Compensating Use Taxes		6.3%	eff July 1 2010			79-3703
Local Retailers Sales Tax		up to 1% general & 1% special for counties; up to 2% general & 1% special for cities				12-189
Local Use Sales Tax		up to 1% general & 1% special for counties; up to 2% general & 1% special for cities				12-191
Sand Royalty/per ton						70a-102
	\$0.15/ton					
Tire Tax/per tire (New Tires)						65-3424
	\$0.25					
Tobacco Tax (wholesale price)						79-3371
	10.00%					
Vehicle Rental Excise Tax/gross receipts						79-5117
	3.5%	for rentals not exceeding 28 days				
Water Protection Fee/1,000 gallons						82a-954
	\$0.032					
	(\$0.03 is collected for the Kansas Water Office and \$.002 is collected for H&E, K.A.R. 28-15-12.)					
Clean Drinking Water Fee/1,000 gallons						82a-2101
	\$0.030					

2011 Form P.S.1 Instructions

Major 2011 Tax Law Changes

The Life Sciences Tax Incentive Program in G.L. c. 23I, § 5, has a new tax incentive. A corporation may in certain circumstances be allowed a refundable jobs credit against its tax liability under G.L. c. 63. The credit must be authorized by the Life Sciences Tax Incentive Program; this is not a credit a taxpayer can claim without prior approval. Among the conditions for claiming this credit is the taxpayer's commitment to create a minimum of 50 net new permanent full-time positions in Massachusetts. See TIR 11-06.

Effective for tax years beginning on or after January 1, 2011, a credit is allowed for qualified donations of certified land to a public or private conservation agency. The credit is equal to 50% of the fair market value of the qualified donation. The amount of the credit that may be claimed by a taxpayer for each qualified donation cannot exceed \$50,000. The credit is refundable but not transferable. The certification process is conducted by the Executive Office of Energy and Environmental Affairs (EEA). EEA has promulgated a regulation, 301 CMR 14.00, entitled Conservation Land Tax Credit, which sets forth criteria for authorizing and certifying the credit. See also, 830 CMR 62.6.4, entitled Conservation Land Tax Credit, promulgated by DOR to explain the calculation of the allowable credit.

There are administrative changes that will affect corporations, relating to interest charges after audit, at G.L. c. 62C, § 32(f), and to overpayments of tax, applications for abatement and refunds, at G.L. c. 62C, §§ 36, 36A and 37. See FY 2012 budget, St. 2011, c. 68, and TIR 11-06.

Who Must File a Public Service Corporation Franchise Tax Return?

All utility corporations subject to Massachusetts General Laws (MGL) Ch. 63, sec. 52A (not including wireless companies), and which do any or all of their business in Massachusetts and which are not part of combined group required to file Form 355U must complete and file Massachusetts Form P.S.1. Utility corporations are as follows:

- Every incorporated electric company and gas company subject to MGL Ch. 164;
- Every incorporated water company and aqueduct company subject to MGL Ch. 165;
- Every incorporated telephone and telegraph company subject to MGL Ch. 166;
- Every incorporated railroad and railway company subject to MGL Ch. 160 and every corporation qualified under said MGL Ch. 160, sec. 131A to acquire, own and operate terminal facilities from steam, electric or other types of railroad;
- Every incorporated street railway subject to MGL Ch. 161;
- Every incorporated electric railroad subject to MGL Ch. 162;
- Every incorporated trackless trolley company subject to MGL Ch. 163;
- Every domestic or foreign pipeline corporation engaged in the transportation or sale of natural gas within the Commonwealth; or
- Every foreign corporation which is not subject to the above chapters, but which does an electric, gas, water, aqueduct, telephone, telegraph, railroad, railway, electric railroad, trackless trolley or bus business within the Commonwealth and has, prior to January 1, 1952, been subject to taxation under MGL Ch. 63, secs. 53–60.

When Must Form P.S.1 Be Filed?

Form P.S.1 must be filed on or before the 15th day of the 3rd month after the close of the utility corporation's taxable year. A late return incurs a penalty of 1% per month (or fraction thereof), up to a maximum of 25% of the tax due. The penalty for late payment of the tax is 1%

per month (or fraction thereof) of the balance due, up to a maximum of 25%.

Can a Corporation Get an Extension of Time to File?

Yes. Utility corporations may request a six-month extension of time to file Form P.S.1 by submitting Massachusetts Form 355-7004 Misc. on or before the original due date of the return. At or before the time of filing Form 355-7004 Misc., the utility corporation must pay in full the estimated tax due. Failure to pay at least 50% of the total tax due as shown on your return will result in the voiding of the extension and the imposition of a late filing penalty.

What Is a Valid Return?

A valid return is a return upon which all required amounts have been entered in all appropriate lines on all forms. Data sheets, account forms or other schedules may be enclosed to explain amounts entered on the forms. However, referencing items to enclosures in lieu of properly entering all amounts onto the return is not sufficient.

A properly filed return must also include exact and complete copies of all four pages of the corporation's U.S. Form 1120. Copies of all accompanying schedules and supplemental statements must be enclosed.

Reproduction of returns must be approved by the DOR prior to filing and meet the criteria provided in Technical Information Release 95-8. Please address form approvals to The Banking and Insurance Unit, PO Box 7052, Boston, MA 02204.

Failure to meet any of the requirements detailed in this section may result in a penalty for filing an insufficient return. Such penalties may be assessed at double the amount of the tax due.

When Must a Corporation Pay Estimated Taxes?

Any utility corporation which reasonably estimates its franchise tax to be more than \$1,000 must pay estimated taxes. Payments must be made in quarterly installments of 40%, 25%, 25% and 10% of the estimated annual tax liability.

Note: New corporations in their first full taxable year with less than 10 employees have different estimated payment percentages — 30%, 25%, 25% and 20% respectively.

Public Utility companies that underpay, or fail to pay, their estimated taxes may incur an additional penalty on the amount of the underpayment for the period of the underpayment. Form M-2220, Underpayment of Massachusetts Estimated Tax by Corporations, is used to compute the additional charge.

Any corporation having \$1 million or more of federal taxable income in any of its three preceding taxable years (as defined in section 6655 (g) of the IRC) may only use its prior year's tax liability to calculate its first quarterly estimated tax payment. Any reduction in the first installment payment that results from using this method must be added to the second installment payment.

How Is the Corporation Franchise Tax Determined?

The tax for utility corporations is 6½% of net income. For tax purposes, net income is gross income from all sources, without exclusion, other than dividends from investment in 80% or more of the voting stock of another utility corporation, less deductions allowed by the Internal Revenue Code in effect for the taxable year. Deductions are not allowed for dividends received, losses sustained in other taxable years, and income, franchise and capital stock taxes. Any credits allowed under the Internal Revenue Code for the taxable year are not allowed in Massachusetts.

Are Combined Returns Allowed?

Public service corporations that are members of combined groups engaged in a unitary business are required to file combined returns under



Form P.S.1
Public Service Corporation
Franchise Tax Return

2011

Massachusetts
Department of
Revenue

For calendar year 2011 or taxable year beginning

2011 and ending

Name of corporation Federal Identification number

Principal business address City/Town State Zip Date of organization

Name of U.S. parent if filing a consolidated return Federal Identification number

Name of Treasurer/Assistant Treasurer/Responsible Corporate Officer State of incorporation

Type of business for which credit is being claimed (check only one):

- Gas and electric, Telephone, Railroad, Water, Power, Aqueduct, Gas transmission, Telecommunications, Street railway

Has the federal government changed your taxable income for any prior year which has not yet been reported to Massachusetts? Yes No
If requesting alternative apportionment under MGL Ch. 63, sec. 42, check here and enclose Form AA-1 (see instructions).

Excise Tax Calculation

Table with 30 rows for Excise Tax Calculation, including items like Net income, State and municipal bond interest, Foreign, state or local income, etc.

Under penalties of perjury, I declare that to the best of my knowledge and belief, this return and enclosures are true, correct and complete.

Signature of appropriate corporate officer Social Security number Telephone number Date

Signature of paid preparer Employer Identification number Address Date

The Privacy Act Notice is available upon request. If you are signing as an authorized delegate of the appropriate corporate officer, check here and enclose Massachusetts Form M-2848, Power of Attorney. Mail to: Massachusetts Department of Revenue, PO Box 7052, Boston, MA 02204. Make check or money order payable to the Commonwealth of Massachusetts.

FEIN or TR Number

PART 2: BUSINESS INCOME TAX

28. Business Income. If negative, enter as a negative. (If business activity protected under PL 86-272, complete and attach Form 4586 and/or 4581, as applicable; see instructions) 28. 00

Additions to Income

29. Interest income and dividends derived from obligations or securities of states other than Michigan 29. 00

30. Taxes on or measured by net income 30. 00

31. Tax imposed under MBT 31. 00

32. Any carryback or carryover of a federal net operating loss 32. 00

33. Losses attributable to other taxable flow-through entities 33. 00
 Account No.

34. Royalty, interest, and other expenses paid to a related person 34. 00

35. Miscellaneous (see instructions) 35. 00

36. Total Additions to Income. Add lines 29 through 35 36. 00

37. **Business Income Tax Base After Additions.** Add lines 28 and 36. If negative, enter as a negative 37. 00

Subtractions from Income

38. Dividends and royalties received from persons other than U.S. persons and foreign operating entities 38. 00

39. Income attributable to other taxable flow-through entities 39. 00
 Account No.

40. Interest income derived from United States obligations 40. 00

41. Net earnings from self-employment. If less than zero, enter zero 41. 00

42. Miscellaneous (see instructions) 42. 00

43. Total Subtractions from Income. Add lines 38 through 42 43. 00

44a. **Business Income Tax Base.** Subtract line 43 from line 37. If negative, enter as a negative 44a. 00

44b. If box 11d is checked, multiply line 44a by the percentage on line 11g. All others, enter amount from line 44a ... 44b. 00

45. Apportioned Business Income Tax Base. Multiply line 44b by percentage on line 11c 45. 00

46. Available MBT business loss carryforward from previous MBT return. Enter as a positive number 46. 00

47. Subtract line 46 from line 45. If negative, enter here as a negative, skip line 48, and enter zero on line 49. A negative number here is the available business loss carryforward to the next filing period (see instructions) ... 47. 00

48. Qualified Affordable Housing Deduction. If line 47 is positive, complete lines 48a through 48i as follows:
(1) If taking the seller's deduction, skip lines 48a through 48h and carry the amount from Form 4579, line 5, to line 48i. (2) If taking the QAHP deduction, complete lines 48a through 48i.

a. Gross rental receipts attributable to residential units in Michigan 48a.	<input type="text"/>	00
b. Rental expenses attributable to residential rental units in Michigan... 48b.	<input type="text"/>	00
c. Taxable income attributable to residential rental units. Subtract line 48b from line 48a 48c.	<input type="text"/>	00
d. Number of residential rent restricted units in Michigan owned by the Qualified Affordable Housing Project 48d.	<input type="text"/>	
e. Total number of residential rental units in Michigan owned by the Qualified Affordable Housing Project 48e.	<input type="text"/>	
f. Divide line 48d by line 48e and enter as a percentage 48f.	<input type="text"/>	%
g. Multiply line 48c by line 48f 48g.	<input type="text"/>	00
h. Limited dividends or other distributions made to the owners of the project 48h.	<input type="text"/>	00
i. Qualified Affordable Housing Deduction. Subtract line 48h from line 48g 48i.	<input type="text"/>	00

49. Subtract line 48i from line 47. If less than zero, enter zero 49. 00

50. **Business Income Tax Before All Credits.** Multiply line 49 by 4.95% (0.0495) 50. 00

4567, Page 3

FEIN or TR Number

PART 3: TOTAL MICHIGAN BUSINESS TAX

51. Total Michigan Business Tax Before Surcharge and Credits. Add lines 27 and 50.....	51.	<input type="text"/>	00
52. Annual Surcharge. Enter the lesser of \$6,000,000 or line 51 multiplied by 21.99% (0.2199).....	52.	<input type="text"/>	00
53. Total Liability Before All Credits. Add lines 51 and 52.....	53.	<input type="text"/>	00
54. Nonrefundable credits from Form 4568, line 40.....	54.	<input type="text"/>	00
55. Total Tax After Nonrefundable Credits. Subtract line 54 from line 53. If less than zero, enter zero.....	55.	<input type="text"/>	00
56. Recapture of Certain Business Tax Credits and Deductions from Form 4587, line 12.....	56.	<input type="text"/>	00
57. Total Tax Liability. Add lines 55 and 56.....	57.	<input type="text"/>	00

PART 4: PAYMENTS, REFUNDABLE CREDITS AND TAX DUE

58. Overpayment credited from prior MBT return.....	58.	<input type="text"/>	00													
59. Estimated tax payments.....	59.	<input type="text"/>	00													
60. Tax paid with request for extension.....	60.	<input type="text"/>	00													
61. Refundable credits from Form 4574, line 31.....	61.	<input type="text"/>	00													
62. Payment and credit total. Add lines 58 through 61. (If not amending, then skip to line 64.).....	62.	<input type="text"/>	00													
<table border="1"> <tr> <td rowspan="3">AMENDED RETURN ONLY</td> <td>a. Payment made with the original return.....</td> <td>63a.</td> <td><input type="text"/></td> <td>00</td> </tr> <tr> <td>b. Overpayment received on the original return.....</td> <td>63b.</td> <td><input type="text"/></td> <td>00</td> </tr> <tr> <td>c. Add lines 62 and 63a and subtract line 63b from the sum.....</td> <td>63c.</td> <td><input type="text"/></td> <td>00</td> </tr> </table>	AMENDED RETURN ONLY	a. Payment made with the original return.....	63a.	<input type="text"/>	00	b. Overpayment received on the original return.....	63b.	<input type="text"/>	00	c. Add lines 62 and 63a and subtract line 63b from the sum.....	63c.	<input type="text"/>	00	63a.	<input type="text"/>	00
		AMENDED RETURN ONLY	a. Payment made with the original return.....	63a.	<input type="text"/>	00										
			b. Overpayment received on the original return.....	63b.	<input type="text"/>	00										
c. Add lines 62 and 63a and subtract line 63b from the sum.....	63c.		<input type="text"/>	00												
63b.	<input type="text"/>	00														
63c.	<input type="text"/>	00														
64. TAX DUE. Subtract line 62 (or line 63c, if amending) from line 57. If less than zero, leave blank.....	64.	<input type="text"/>	00													
65. Underpaid estimate penalty and interest from Form 4582, line 38.....	65.	<input type="text"/>	00													
66. Annual return penalty (a) <input type="text"/> % = (b) <input type="text"/> 00 plus interest (c) <input type="text"/> 00. Total.....	66d.	<input type="text"/>	00													
67. PAYMENT DUE. If line 64 is blank, go to line 68. Otherwise, add lines 64, 65 and 66d.....	67.	<input type="text"/>	00													

PART 5: REFUND OR CREDIT FORWARD

68. Overpayment. Subtract lines 57, 65 and 66d from line 62 (or line 63c, if amending). If less than zero, leave blank (see instructions).....	68.	<input type="text"/>	00
69. CREDIT FORWARD. Amount on line 68 to be credited forward and used as an estimate for next tax year....	69.	<input type="text"/>	00
70. REFUND. Amount on line 68 to be refunded.....	70.	<input type="text"/>	00

Taxpayer Certification. I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.		Preparer Certification. I declare under penalty of perjury that this return is based on all information of which I have any knowledge.	
<input type="checkbox"/> By checking this box, I authorize Treasury to discuss my return with my preparer.		Preparer's PTIN, FEIN or SSN <input type="text"/>	
Authorized Signature for Tax Matters <input type="text"/>		Preparer's Business Name (print or type) <input type="text"/>	
Authorized Signer's Name (print or type) <input type="text"/>	Date <input type="text"/>	Preparer's Business Address and Telephone Number (print or type) <input type="text"/>	
Title <input type="text"/>	Telephone Number <input type="text"/>		

Return is due April 30 or on or before the last day of the 4th month after the close of the tax year.

WITHOUT PAYMENT. Mail return to:
Michigan Department of Treasury, P.O. Box 30783, Lansing, MI 48909

WITH PAYMENT. Pay amount on line 67. Mail check and return to:
Michigan Department of Treasury, P.O. Box 30113, Lansing, MI 48909
Make check payable to "State of Michigan." Print taxpayer's FEIN or TR Number, the tax year, and "MBT" on the front of the check. Do not staple the check to the return.

B Computation of Corporate Income Tax

<p>22. Net Economic Loss (Attach schedule)</p> <p>23. Income Before Contributions to N.C. Donees Line 20 minus Lines 21 and 22</p> <p>24. Contributions to N.C. Donees (From Schedule I, Line 2e)</p> <p>25. Net Taxable Income Line 23 minus Line 24</p> <p>26. N.C. Net Income Tax Multiply Line 25 by 6.90%</p> <p>27. Annual Report Fee</p> <p>28. Add Lines 26 and 27</p> <p>29. Payments and Credits</p> <p>a. Application for Income Tax Extension (From Form CD-419, Line 10)</p> <p>b. 2011 Estimated Tax (When filing an amended return, enter previous payments here.)</p> <p>c. Partnership (If a partnership payment is claimed on Line 29c, a copy of the NC K-1 MUST be attached.)</p> <p>d. Nonresident Withholding (Include copy of 1099 or W-2)</p> <p>e. Tax Credits (From Form CD-425, Part 4, Line 34) If a tax credit is claimed on Line 29e, Form CD-425 MUST be attached.</p> <p>30. Add Lines 29a through 29e</p> <p>31. Income Tax Due - If Line 30 is less than Line 28, enter difference here and on Line 34, below</p> <p>32. Income Tax Overpaid - If Line 30 is more than Line 28, enter difference here and on Line 34, below</p>	<div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p>If amount on Line 23 or 25 is negative fill in circle. Example: <input checked="" type="radio"/></p> </div> <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p>Include \$25.00 ONLY if filing report with the Department of Revenue. (Pay online. Go to www.sosnc.com for an electronic filing option.)</p> </div>  <p style="text-align: center;">6300206013</p>	<p>▶ 22. _____ .00</p> <p>▶ 23. <input type="radio"/> _____ .00</p> <p>▶ 24. _____ .00</p> <p>▶ 25. <input type="radio"/> _____ .00</p> <p>▶ 26. _____ .00</p> <p>▶ 27. _____ .00</p> <p>▶ 28. _____ .00</p> <p>▶ 29a. _____ .00</p> <p>▶ 29b. _____ .00</p> <p>▶ 29c. _____ .00</p> <p>▶ 29d. _____ .00</p> <p>▶ 29e. _____ .00</p> <p>▶ 30. _____ .00</p> <p>▶ 31. _____ .00</p> <p>▶ 32. _____ .00</p>
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Tax Due or Refund

<p>33. Franchise Tax Due or Overpayment (From Schedule A, Line 8 or 9)</p> <p>34. Income Tax Due or Overpayment (From Schedule B, Line 31 or 32)</p> <p>35. Balance of Tax Due or Overpayment Add (or subtract) Lines 33 and 34</p> <p>36. Underpayment of Estimated Income Tax (Enter letter in exceptions box, if applicable. See instructions.)</p> <p>37. a. Interest (See instructions)</p> <p>b. Penalties (See instructions)</p> <p>38. Total Due - Add Lines 35 through 37b and enter result here, but not less than zero. If less than zero, enter amount on Line 39. Pay online. Go to www.dornr.com and click on <u>Electronic Services</u>.</p> <p>39. Overpayment</p> <p>40. Amount of Line 39 applied to 2012 Estimated Income Tax</p> <p>41. Amount of Line 39 contributed to N.C. Nongame and Endangered Wildlife Fund</p> <p>42. Amount to be Refunded Line 39 minus Lines 40 and 41</p>	<div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p>If amount on Line 33-35 is an overpayment fill in circle. Example: <input type="radio"/></p> </div> <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p>Exception to Underpayment of Estimated Tax ▶ <input type="checkbox"/></p> </div>	<p>▶ 33. <input type="radio"/> _____ .00</p> <p>▶ 34. <input type="radio"/> _____ .00</p> <p>▶ 35. <input type="radio"/> _____ .00</p> <p>▶ 36. _____ .00</p> <p>▶ 37a. _____ .00</p> <p>▶ 37b. _____ .00</p> <p>▶ 38. _____ .00</p> <p>▶ 39. _____ .00</p> <p>▶ 40. _____ .00</p> <p>▶ 41. _____ .00</p> <p>▶ 42. _____ .00</p>
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Signature and Title of Officer: _____ Date: _____ Corporate Telephone Number: _____ (Important: Include Area Code)

Signature of Paid Preparer: _____ Preparer's FEIN SSN PTIN: _____ (Fill in applicable circle)

MAIL TO: N.C. Dept. of Revenue, P.O. Box 25000, Raleigh, N.C. 27640-0500. Returns are due by the 15th day of the 4th month after the end of the income year.



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
Cory Fong, Commissioner

North Dakota Corporation Income Tax Brackets and Rates

For taxable years beginning on or after January 1, 2011*

Table with 3 columns: North Dakota taxable income (over/but not over), and tax rate. Rows include brackets for \$0-\$25,000, \$25,000-\$50,000, and \$50,000+.

For taxable years beginning on or after January 1, 2009 and prior to January 1, 2011*

Table with 3 columns: North Dakota taxable income (over/but not over), and tax rate. Rows include brackets for \$0-\$25,000, \$25,000-\$50,000, and \$50,000+.

For taxable years beginning on or after January 1, 2007 and prior to January 1, 2009*

Table with 3 columns: North Dakota taxable income (over/but not over), and tax rate. Rows include brackets for \$0-\$3,000, \$3,000-\$8,000, \$8,000-\$20,000, \$20,000-\$30,000, and \$30,000+.

For taxable years beginning on or after January 1, 2004 and prior to January 1, 2007*

Table with 3 columns: North Dakota taxable income (over/but not over), and tax rate. Rows include brackets for \$0-\$3,000, \$3,000-\$8,000, \$8,000-\$20,000, \$20,000-\$30,000, and \$30,000+.

For taxable years beginning on or after January 1, 1983 and prior to January 1, 2004

Table with 3 columns: North Dakota taxable income (over/but not over), and tax rate. Rows include brackets for \$0-\$3,000, \$3,000-\$8,000, \$8,000-\$20,000, \$20,000-\$30,000, \$30,000-\$50,000, and \$50,000+.

For taxable years beginning on or after January 1, 1981 and prior to January 1, 1983

Table with 3 columns: North Dakota taxable income (over/but not over), and tax rate. Rows include brackets for \$0-\$3,000, \$3,000-\$8,000, \$8,000-\$20,000, \$20,000-\$30,000, \$30,000-\$50,000, and \$50,000+.

For taxable years beginning on or after January 1, 1978 and prior to January 1, 1981

Table with 3 columns: North Dakota taxable income (over/but not over), and tax rate. Rows include brackets for \$0-\$3,000, \$3,000-\$8,000, \$8,000-\$15,000, \$15,000-\$25,000, and \$25,000+.

For taxable years beginning on or after January 1, 1937 and prior to January 1, 1978

Table with 3 columns: North Dakota taxable income (over/but not over), and tax rate. Rows include brackets for \$0-\$3,000, \$3,000-\$8,000, \$8,000-\$15,000, and \$15,000+.

For taxable years beginning on or after January 1, 1923 and prior to January 1, 1937

The state's corporation income tax rate was 3.0% on North Dakota taxable income.

*If a corporation elects to use the water's edge method to apportion its income, the corporation will be subject to an additional 3.5% surtax on its North Dakota taxable income.

What's new?

Tie to federal tax law

In general, Oregon income tax law is based on federal income tax law.

With some exceptions, the 2011 Oregon Legislature reinstated a full rolling reconnect to federal taxable income, including:

- **Discharge of indebtedness** [IRC section 108(i)],
- **Bonus depreciation** [IRC section 168(k)], and
- **Expensing provisions** (IRC section 179). For tax years beginning on or after January 1, 2011, Oregon will have the same expensing limitations as federal.

For tax years beginning on or after January 1, 2011, Oregon is still disconnected from:

- **Federal subsidies** for prescription drug plans (IRC section 139A; ORS 317.401).
- **Domestic production activities (QPAI)** (IRC section 199; ORS 317.398).

Important: The disconnect from federal law for tax years 2009 and 2010 may have disallowed additional expenses on your Oregon return. If so, this will create modifications to compute Oregon taxable income in later years

Any assets placed in service for a year beginning on or after January 1, 2009, and before January 1, 2011, that created an addition on your Oregon return will require a modification to income. Also, if you deferred reporting for federal purposes [IRC section 108(i)] and reported the income for Oregon purposes in the year of cancellation, then you may have an Oregon subtraction in the year you report the federal income.

Oregon tax rate change

For tax years beginning January 1, 2011 and before January 1, 2013, corporations calculate Oregon tax as follows:

- If Oregon taxable income is \$250,000 or less, multiply Oregon taxable income by 6.6 percent. Enter -0- if the result is a negative number or zero.
- If Oregon taxable income is more than \$250,000, multiply the amount that is more than \$250,000 by 7.6 percent, and add \$16,500.

Business energy tax credit (BETC) changes

The BETC has a new name. It's now called **energy manufacturing facility credit**. The Oregon Business Development Department (OBDD) administers and certifies the credit. Claim the credit on line 24 of your Form 20, or as "other credits" on other corporate forms.

To claim the existing BETC for renewable and conservation projects, the Oregon Department of Energy must receive a preliminary certification before July 1, 2011. The

existing BETC is referred to as the **business energy credit** and is claimed on line 23 of your Form 20, or as "other credits" on other corporate forms.

After July 1, 2011, the BETC is replaced with three energy credits:

- The **Renewable energy contribution credit**, claimed on line 20 of your Form 20, or as "other credits" on other corporate forms;
- The **Energy conservation project credit**, claimed on line 21 of your Form 20, or as "other credits" on other corporate forms; and
- The **Energy transportation project credit**, claimed on line 22 of your Form 20, or as "other credits" on other corporate forms.

The Oregon Department of Energy certifies these new energy credits.

For tax years beginning on or after January 1, 2009, grants received from the federal government in connection with a facility certified by the Oregon Department of Energy will reduce the total costs—not the certified costs—of the facility on a dollar-for-dollar basis.

Farmworker housing project credit

The definition of farmworker now includes aquacultural crops. The definition of contributor now includes a person who has purchased or received the credit via a transfer. The definition of farmworker housing now includes housing limited to occupancy by farmworkers who are retired or disabled, and their immediate families.

Diesel engine replacement tax credit

The sunset for the diesel engine tax credit was moved forward from January 1, 2014 to July 1, 2011. The Oregon Department of Environmental Quality cannot certify the credit after June 30, 2011.

Looking ahead

Oregon tax rate change beginning 2013

For tax years beginning January 1, 2013 and later, corporations calculate Oregon tax as follows:

- If Oregon taxable income is \$10 million or less, multiply Oregon taxable income by 6.6%. Enter -0- if the result is negative or zero.
- If Oregon taxable income is more than \$10 million, multiply the amount that is more than \$10 million by 7.6 percent, and add \$660,000.

Qualified equity investment tax credit

For qualified investments made on or after July 1, 2012, and before July 1, 2016, a tax credit is allowed for qualified equity investments in low-income community

Report (Form 05-163) annually to affirm that the entity qualifies as a passive entity. A passive entity is not required to file an Ownership Information Report (Form 05-167).

A partnership or trust that qualifies as a passive entity for the period upon which the franchise tax report is based, and is not registered and is not required to be registered with the SOS or Comptroller's office, will not be required to register with or file a franchise tax report with the Comptroller's office.

A passive entity that is not registered with the Comptroller's office and that no longer qualifies as a passive entity must file a Nexus Questionnaire (Form AP-114) or a Business Questionnaire (Form AP-224) to register with the Comptroller's office and begin filing franchise tax reports.

Disregarded Entities

An entity's treatment for federal income tax purposes does not determine its responsibility for Texas franchise tax. Therefore, partnerships, LLCs and other entities that are disregarded for federal income tax purposes, are considered separate legal entities for franchise tax reporting purposes. The separate entity is responsible for filing its own franchise tax report unless it is a member of a combined group. If the entity is a member of a combined group, the reporting entity for the group may elect to treat the entity as disregarded and will not unwind its operations from its "parent" entity. In this instance, it will be presumed that both the "parent" entity and disregarded entity have nexus in Texas for apportionment purposes only. Whether or not the entity is disregarded for franchise tax, it must be listed separately on the affiliate schedule. Additionally, if the disregarded entity is organized in Texas or has physical presence in Texas, it will be required to file the appropriate information report (Form 05-102 or 05-167).

Margin

Unless a taxable entity qualifies and chooses to file using the EZ computation, the tax base is the taxable entity's margin and is computed in one of the following ways:

- Total Revenue times 70%
- Total Revenue minus Cost of Goods Sold (COGS)
- Total Revenue minus Compensation

A taxable entity must make an annual election to deduct COGS or compensation by the due date of the franchise tax report, the extended due date or the date the report is filed, whichever is latest. The election to use COGS or compensation is made by filing the franchise tax report using one method or the other. This is an annual election and is effective for the entire period upon which the tax is based.

After the due date or the extended due date of the report, a taxable entity may not amend its report to change its election to COGS or compensation. However, a taxable entity may amend its report to change its method of computing margin from COGS or compensation to 70% of total revenue or, if eligible, the EZ computation.

Note: Not all entities will qualify to use COGS to compute margin. See instructions for Item 11. Cost of goods sold (COGS) on page 15 for more information.

Tax Rates

The franchise tax rates are:

- 1.0% (0.01) for most entities
- 0.5% (0.005) for qualifying wholesalers and retailers
- 0.575% (0.00575) for those entities with \$10 million or less in annualized total revenue using the EZ computation

Qualifying retailers and wholesalers are those entities that fall under Divisions F or G of the 1987 Standard Industrial Classification manual (www.osha.gov/pls/imis/sicsearch.html) who are primarily engaged in retail and/or wholesale trade and apparel rental activities classified as Industry 5999 or 7299 of the manual.

An entity is primarily engaged in retail and/or wholesale trade if:

- 1) the total revenue from its activities in retail and wholesale trade is greater than the total revenue from its activities in trades other than the retail and wholesale trades;
- 2) except for eating and drinking places as described in Major Group 58 of Division G, less than 50% of the total revenue from activities in retail and wholesale trade comes from the sale of products it produces or products produced by an entity that is part of an affiliated group to which the taxable entity also belongs; and
- 3) the taxable entity does not provide retail or wholesale utilities, including telecommunications services, electricity or gas.

Note: A product is not considered to be produced if modifications made to the acquired product do not increase its sales price by more than 10%.

Annualized Total Revenue

To determine an entity's eligibility for the \$1,030,000 no tax due threshold and qualification for the EZ computation, an entity must annualize its total revenue if the period upon which the report is based is not equal to 12 months.

Note: The amount of total revenue used in the tax calculations will NOT change as a result of annualizing revenue. Total revenue will equal the prescribed amounts for the period upon which the tax is based.

To annualize total revenue, divide total revenue by the number of days in the period upon which the report is based, and multiply the result by 365.

Examples:

- 1) A taxable entity's 2012 franchise tax report is based on the period 09-15-2011 through 12-31-2011 (108 days), and its total revenue for the period is \$400,000. The taxable entity's annualized total revenue is \$1,351,852 (\$400,000 divided by 108 days multiplied by 365 days). Based on its annualized total revenue, the taxable entity would NOT qualify for the \$1,030,000 no tax due threshold, but is eligible to file using the EZ computation. The entity will report \$400,000 as total revenue for the period.
- 2) A taxable entity's 2012 franchise tax report is based on the period 03-01-2010 through 12-31-2011 (671 days),

**Summary of Additional Data Used in Calculations
from Annual Report Form R-1
(\$000)**

**Total Railway Operating Revenues
Schedule 210, Line 13, Column (b)**

Year	RR	Sched	Line	Column (b)
2011	BNSF	210	13	\$19,588,288
2011	CNGT	210	13	2,823,280
2011	CSX	210	13	11,676,083
2011	KCS	210	13	1,155,720
2011	NS	210	13	11,171,773
2011	SOO	210	13	1,422,589
2011	UP	210	13	19,529,149
<u>Total</u>				<u>\$67,366,882</u>

**Income (Loss) from continuing operations (before income taxes)
Schedule 210, Line 46, Col. (b)**

Year	RR	Sched	Line	Column (b)
2011	BNSF	210	46	\$5,204,655
2011	CNGT	210	46	629,685
2011	CSX	210	46	2,919,197
2011	KCS	210	46	181,929
2011	NS	210	46	3,034,771
2011	SOO	210	46	175,579
2011	UP	210	46	5,365,691
<u>Total</u>				<u>\$17,511,507</u>

BNSF Tax Rate Calculation for Texas for 2011

Corporate Activities Tax

Operating Revenue	\$19,588,288	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$5,204,655	from R-1 Schedule 210 Line 46
Taxable Receipts	13,711,802	70% of Operating Revenue
Tax Rate	1.000%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	137,118	Tax Rate x Taxable Receipts
Effective Tax Rate	2.635%	State Taxes divided by Taxable Earnings

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state. All dollar amounts are in thousands.

CNGT Tax Rate Calculation for Texas for 2011

Corporate Activities Tax

Operating Revenue	\$2,823,280	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$629,685	from R-1 Schedule 210 Line 46
Taxable Receipts	1,976,296	70% of Operating Revenue
Tax Rate	1.000%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	19,763	Tax Rate x Taxable Receipts
Effective Tax Rate	3.139%	State Taxes divided by Taxable Earnings

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state. All dollar amounts are in thousands.

CSX Tax Rate Calculation for Texas for 2011

Corporate Activities Tax

Operating Revenue	\$11,676,083	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$2,919,197	from R-1 Schedule 210 Line 46
Taxable Receipts	8,173,258	70% of Operating Revenue
Tax Rate	1.000%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	81,733	Tax Rate x Taxable Receipts
Effective Tax Rate	2.800%	State Taxes divided by Taxable Earnings

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state. All dollar amounts are in thousands.

KCS Tax Rate Calculation for Texas for 2011

Corporate Activities Tax

Operating Revenue	\$1,155,720	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$181,929	from R-1 Schedule 210 Line 46
Taxable Receipts	809,004	70% of Operating Revenue
Tax Rate	1.000%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	8,090	Tax Rate x Taxable Receipts
Effective Tax Rate	4.447%	State Taxes divided by Taxable Earnings

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state. All dollar amounts are in thousands.

NS Tax Rate Calculation for Texas for 2011

Corporate Activities Tax

Operating Revenue	\$11,171,773	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$3,034,771	from R-1 Schedule 210 Line 46
Taxable Receipts	7,820,241	70% of Operating Revenue
Tax Rate	1.000%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	78,202	Tax Rate x Taxable Receipts
Effective Tax Rate	2.577%	State Taxes divided by Taxable Earnings

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state. All dollar amounts are in thousands.

SOO Tax Rate Calculation for Texas for 2011

Corporate Activities Tax

Operating Revenue	\$1,422,589	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$175,579	from R-1 Schedule 210 Line 46
Taxable Receipts	995,812	70% of Operating Revenue
Tax Rate	1.000%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	9,958	Tax Rate x Taxable Receipts
Effective Tax Rate	5.672%	State Taxes divided by Taxable Earnings

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state. All dollar amounts are in thousands.

UP Tax Rate Calculation for Texas for 2011

Corporate Activities Tax

Operating Revenue	\$19,529,149	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$5,365,691	from R-1 Schedule 210 Line 46
Taxable Receipts	13,670,404	70% of Operating Revenue
Tax Rate	1.000%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	136,704	Tax Rate x Taxable Receipts
Effective Tax Rate	2.548%	State Taxes divided by Taxable Earnings

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state.
All dollar amounts are in thousands.

BNSF Average State Tax Rate for 2011

State	Miles BNSF	Income		Pct Miles	Pct Miles x Tax Rate
		Tax Rate			
Alabama	300	6.500%		0.93191%	0.06057%
Arizona	595	6.968%		1.84829%	0.12879%
Arkansas	1,047	6.500%		3.25236%	0.21140%
California	2,125	8.840%		6.60102%	0.58353%
Colorado	1,402	4.630%		4.35512%	0.20164%
Connecticut	0	0.000%		0.00000%	0.00000%
Delaware	0	8.700%		0.00000%	0.00000%
Dist. of Columbia	0	9.975%		0.00000%	0.00000%
Florida	0	5.500%		0.00000%	0.00000%
Georgia	0	6.000%		0.00000%	0.00000%
Idaho	117	7.600%		0.36344%	0.02762%
Illinois	1,552	9.500%		4.82107%	0.45800%
Indiana	0	8.500%		0.00000%	0.00000%
Iowa	673	12.000%		2.09058%	0.25087%
Kansas	1,709	7.000%		5.30877%	0.37161%
Kentucky	99	6.000%		0.30753%	0.01845%
Louisiana	348	8.000%		1.08101%	0.08648%
Maine	0	0.000% *		0.00000%	0.00000%
Maryland	0	8.250%		0.00000%	0.00000%
Massachusetts	0	6.500%		0.00000%	0.00000%
Michigan	0	6.039%		0.00000%	0.00000%
Minnesota	1,686	9.800%		5.23733%	0.51326%
Mississippi	179	5.000%		0.55604%	0.02780%
Missouri	1,711	6.250%		5.31499%	0.33219%
Montana	1,960	6.750%		6.08847%	0.41097%
Nebraska	1,529	7.810%		4.74963%	0.37095%
Nevada	805	0.000%		2.50062%	0.00000%
New Hampshire	0	0.000% *		0.00000%	0.00000%
New Jersey	0	0.000%		0.00000%	0.00000%
New Mexico	1,357	7.600%		4.21533%	0.32037%
New York	0	0.000%		0.00000%	0.00000%
North Carolina	0	6.900%		0.00000%	0.00000%
North Dakota	1,714	5.150%		5.32430%	0.27420%
Ohio	0	0.000%		0.00000%	0.00000%
Oklahoma	1,409	6.000%		4.37686%	0.26261%
Oregon	386	7.600%		1.19906%	0.09113%
Pennsylvania	0	9.990%		0.00000%	0.00000%
Rhode Island	0	0.000% *		0.00000%	0.00000%
South Carolina	0	5.000%		0.00000%	0.00000%
South Dakota	926	0.000%		2.87649%	0.00000%
Tennessee	144	6.500%		0.44732%	0.02908%
Texas	5,110	2.635%		15.87351%	0.41819%
Utah	433	5.000%		1.34505%	0.06725%
Vermont	0	0.000% *		0.00000%	0.00000%
Virginia	0	6.000%		0.00000%	0.00000%
Washington	1,633	0.000%		5.07269%	0.00000%
West Virginia	0	8.500%		0.00000%	0.00000%
Wisconsin	273	7.900%		0.84804%	0.06699%
Wyoming	970	0.000%		3.01317%	0.00000%
Total U.S.	32,192			100.00000%	5.58396%

There is no Class I railroad mileage in AK, HI, ME, NH, RI, VT, and any state marked with an "**".

Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

Tax rates are from the web site of the Tax Foundation, Washington, DC unless updated by AAR (Appendix B).

Rate for Texas is calculated, and may vary by railroad.

No rounding until final number.

CNGT Average State Tax Rate for 2011

State	Miles CNGT	Income		Pct Miles x Tax Rate
		Tax Rate	Pct Miles	
Alabama	26	6.500%	0.42784%	0.02781%
Arizona	0	6.968%	0.00000%	0.00000%
Arkansas	0	6.500%	0.00000%	0.00000%
California	0	8.840%	0.00000%	0.00000%
Colorado	0	4.630%	0.00000%	0.00000%
Connecticut	0	0.000%	0.00000%	0.00000%
Delaware	0	8.700%	0.00000%	0.00000%
Dist. of Columbia	0	9.975%	0.00000%	0.00000%
Florida	0	5.500%	0.00000%	0.00000%
Georgia	0	6.000%	0.00000%	0.00000%
Idaho	0	7.600%	0.00000%	0.00000%
Illinois	1,288	9.500%	21.19467%	2.01349%
Indiana	104	8.500%	1.71137%	0.14547%
Iowa	574	12.000%	9.44545%	1.13345%
Kansas	0	7.000%	0.00000%	0.00000%
Kentucky	98	6.000%	1.61264%	0.09676%
Louisiana	239	8.000%	3.93286%	0.31463%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	0	8.250%	0.00000%	0.00000%
Massachusetts	0	6.500%	0.00000%	0.00000%
Michigan	932	6.039%	15.33651%	0.92610%
Minnesota	380	9.800%	6.25309%	0.61280%
Mississippi	754	5.000%	12.40744%	0.62037%
Missouri	0	6.250%	0.00000%	0.00000%
Montana	0	6.750%	0.00000%	0.00000%
Nebraska	0	7.810%	0.00000%	0.00000%
Nevada	0	0.000%	0.00000%	0.00000%
New Hampshire	0	0.000% *	0.00000%	0.00000%
New Jersey	0	0.000%	0.00000%	0.00000%
New Mexico	0	7.600%	0.00000%	0.00000%
New York	0	0.000%	0.00000%	0.00000%
North Carolina	0	6.900%	0.00000%	0.00000%
North Dakota	0	5.150%	0.00000%	0.00000%
Ohio	4	0.000%	0.06582%	0.00000%
Oklahoma	0	6.000%	0.00000%	0.00000%
Oregon	0	7.600%	0.00000%	0.00000%
Pennsylvania	156	9.990%	2.56706%	0.25645%
Rhode Island	0	0.000% *	0.00000%	0.00000%
South Carolina	0	5.000%	0.00000%	0.00000%
South Dakota	0	0.000%	0.00000%	0.00000%
Tennessee	161	6.500%	2.64933%	0.17221%
Texas	0	3.139%	0.00000%	0.00000%
Utah	0	5.000%	0.00000%	0.00000%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	0	6.000%	0.00000%	0.00000%
Washington	0	0.000%	0.00000%	0.00000%
West Virginia	0	8.500%	0.00000%	0.00000%
Wisconsin	1,361	7.900%	22.39592%	1.76928%
Wyoming	0	0.000%	0.00000%	0.00000%
Total U.S.	6,077		100.00000%	8.08881%

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Tax rates are from the web site of the Tax Foundation, Washington, DC unless updated by AAR (Appendix B).

Rate for Texas is calculated, and may vary by railroad.

No rounding until final number.

CSX Average State Tax Rate for 2011

State	Miles CSX	Income		Pct Miles x Tax Rate
		Tax Rate	Pct Miles	
Alabama	1,014	6.500%	4.85353%	0.31548%
Arizona	0	6.968%	0.00000%	0.00000%
Arkansas	0	6.500%	0.00000%	0.00000%
California	0	8.840%	0.00000%	0.00000%
Colorado	0	4.630%	0.00000%	0.00000%
Connecticut	68	0.000%	0.32548%	0.00000%
Delaware	44	8.700%	0.21061%	0.01832%
Dist. of Columbia	20	9.975%	0.09573%	0.00955%
Florida	1,646	5.500%	7.87861%	0.43332%
Georgia	1,614	6.000%	7.72545%	0.46353%
Idaho	0	7.600%	0.00000%	0.00000%
Illinois	915	9.500%	4.37967%	0.41607%
Indiana	1,635	8.500%	7.82596%	0.66521%
Iowa	0	12.000%	0.00000%	0.00000%
Kansas	0	7.000%	0.00000%	0.00000%
Kentucky	1,638	6.000%	7.84032%	0.47042%
Louisiana	43	8.000%	0.20582%	0.01647%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	554	8.250%	2.65173%	0.21877%
Massachusetts	393	6.500%	1.88110%	0.12227%
Michigan	559	6.039%	2.67567%	0.16157%
Minnesota	0	9.800%	0.00000%	0.00000%
Mississippi	94	5.000%	0.44993%	0.02250%
Missouri	13	6.250%	0.06222%	0.00389%
Montana	0	6.750%	0.00000%	0.00000%
Nebraska	0	7.810%	0.00000%	0.00000%
Nevada	0	0.000%	0.00000%	0.00000%
New Hampshire	0	0.000% *	0.00000%	0.00000%
New Jersey	648	0.000%	3.10167%	0.00000%
New Mexico	0	7.600%	0.00000%	0.00000%
New York	1,288	0.000%	6.16504%	0.00000%
North Carolina	1,126	6.900%	5.38962%	0.37188%
North Dakota	0	5.150%	0.00000%	0.00000%
Ohio	1,893	0.000%	9.06088%	0.00000%
Oklahoma	0	6.000%	0.00000%	0.00000%
Oregon	0	7.600%	0.00000%	0.00000%
Pennsylvania	1,044	9.990%	4.99713%	0.49921%
Rhode Island	0	0.000% *	0.00000%	0.00000%
South Carolina	1,286	5.000%	6.15547%	0.30777%
South Dakota	0	0.000%	0.00000%	0.00000%
Tennessee	1,005	6.500%	4.81045%	0.31268%
Texas	0	2.800%	0.00000%	0.00000%
Utah	0	5.000%	0.00000%	0.00000%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	1,054	6.000%	5.04499%	0.30270%
Washington	0	0.000%	0.00000%	0.00000%
West Virginia	1,298	8.500%	6.21290%	0.52810%
Wisconsin	0	7.900%	0.00000%	0.00000%
Wyoming	0	0.000%	0.00000%	0.00000%
Total U.S.	20,892		100.00000%	5.65970%

There is no Class I railroad mileage in AK, HI, ME, NH, RI, VT, and any state marked with an "**".

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Tax rates are from the web site of the Tax Foundation, Washington, DC unless updated by AAR (Appendix B).

Rate for Texas is calculated, and may vary by railroad.

No rounding until final number.

KCS Average State Tax Rate for 2011

State	Miles KCS	Income		Pct Miles x Tax Rate
		Tax Rate	Pct Miles	
Alabama	0	6.500%	0.00000%	0.00000%
Arizona	0	6.968%	0.00000%	0.00000%
Arkansas	162	6.500%	5.26145%	0.34199%
California	0	8.840%	0.00000%	0.00000%
Colorado	0	4.630%	0.00000%	0.00000%
Connecticut	0	0.000%	0.00000%	0.00000%
Delaware	0	8.700%	0.00000%	0.00000%
Dist. of Columbia	0	9.975%	0.00000%	0.00000%
Florida	0	5.500%	0.00000%	0.00000%
Georgia	0	6.000%	0.00000%	0.00000%
Idaho	0	7.600%	0.00000%	0.00000%
Illinois	182	9.500%	5.91101%	0.56155%
Indiana	0	8.500%	0.00000%	0.00000%
Iowa	0	12.000%	0.00000%	0.00000%
Kansas	18	7.000%	0.58461%	0.04092%
Kentucky	0	6.000%	0.00000%	0.00000%
Louisiana	737	8.000%	23.93634%	1.91491%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	0	8.250%	0.00000%	0.00000%
Massachusetts	0	6.500%	0.00000%	0.00000%
Michigan	0	6.039%	0.00000%	0.00000%
Minnesota	0	9.800%	0.00000%	0.00000%
Mississippi	607	5.000%	19.71419%	0.98571%
Missouri	396	6.250%	12.86132%	0.80383%
Montana	0	6.750%	0.00000%	0.00000%
Nebraska	0	7.810%	0.00000%	0.00000%
Nevada	0	0.000%	0.00000%	0.00000%
New Hampshire	0	0.000% *	0.00000%	0.00000%
New Jersey	0	0.000%	0.00000%	0.00000%
New Mexico	0	7.600%	0.00000%	0.00000%
New York	0	0.000%	0.00000%	0.00000%
North Carolina	0	6.900%	0.00000%	0.00000%
North Dakota	0	5.150%	0.00000%	0.00000%
Ohio	0	0.000%	0.00000%	0.00000%
Oklahoma	151	6.000%	4.90419%	0.29425%
Oregon	0	7.600%	0.00000%	0.00000%
Pennsylvania	0	9.990%	0.00000%	0.00000%
Rhode Island	0	0.000% *	0.00000%	0.00000%
South Carolina	0	5.000%	0.00000%	0.00000%
South Dakota	0	0.000%	0.00000%	0.00000%
Tennessee	5	6.500%	0.16239%	0.01056%
Texas	821	4.447%	26.66450%	1.18572%
Utah	0	5.000%	0.00000%	0.00000%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	0	6.000%	0.00000%	0.00000%
Washington	0	0.000%	0.00000%	0.00000%
West Virginia	0	8.500%	0.00000%	0.00000%
Wisconsin	0	7.900%	0.00000%	0.00000%
Wyoming	0	0.000%	0.00000%	0.00000%
Total U.S.	3,079		100.00000%	6.13944%

There is no Class I railroad mileage in AK, HI, ME, NH, RI, VT, and any state marked with an "**".

Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

Tax rates are from the web site of the Tax Foundation, Washington, DC unless updated by AAR (Appendix B).

Rate for Texas is calculated, and may vary by railroad.

No rounding until final number.

NS Average State Tax Rate for 2011

State	Miles NS	Income		Pct Miles	Pct Miles x Tax Rate
		Tax Rate			
Alabama	1,330	6.500%		6.60410%	0.42927%
Arizona	0	6.968%		0.00000%	0.00000%
Arkansas	0	6.500%		0.00000%	0.00000%
California	0	8.840%		0.00000%	0.00000%
Colorado	0	4.630%		0.00000%	0.00000%
Connecticut	0	0.000%		0.00000%	0.00000%
Delaware	203	8.700%		1.00799%	0.08770%
Dist. of Columbia	13	9.975%		0.06455%	0.00644%
Florida	149	5.500%		0.73986%	0.04069%
Georgia	1,778	6.000%		8.82864%	0.52972%
Idaho	0	7.600%		0.00000%	0.00000%
Illinois	1,260	9.500%		6.25652%	0.59437%
Indiana	1,491	8.500%		7.40355%	0.62930%
Iowa	44	12.000%		0.21848%	0.02622%
Kansas	2	7.000%		0.00993%	0.00070%
Kentucky	431	6.000%		2.14013%	0.12841%
Louisiana	76	8.000%		0.37738%	0.03019%
Maine	0	0.000% *		0.00000%	0.00000%
Maryland	269	8.250%		1.33572%	0.11020%
Massachusetts	0	6.500%		0.00000%	0.00000%
Michigan	488	6.039%		2.42316%	0.14632%
Minnesota	0	9.800%		0.00000%	0.00000%
Mississippi	211	5.000%		1.04772%	0.05239%
Missouri	409	6.250%		2.03089%	0.12693%
Montana	0	6.750%		0.00000%	0.00000%
Nebraska	0	7.810%		0.00000%	0.00000%
Nevada	0	0.000%		0.00000%	0.00000%
New Hampshire	0	0.000% *		0.00000%	0.00000%
New Jersey	933	0.000%		4.63280%	0.00000%
New Mexico	0	7.600%		0.00000%	0.00000%
New York	751	0.000%		3.72908%	0.00000%
North Carolina	1,297	6.900%		6.44024%	0.44438%
North Dakota	0	5.150%		0.00000%	0.00000%
Ohio	2,208	0.000%		10.96380%	0.00000%
Oklahoma	0	6.000%		0.00000%	0.00000%
Oregon	0	7.600%		0.00000%	0.00000%
Pennsylvania	2,281	9.990%		11.32628%	1.13150%
Rhode Island	0	0.000% *		0.00000%	0.00000%
South Carolina	783	5.000%		3.88798%	0.19440%
South Dakota	0	0.000%		0.00000%	0.00000%
Tennessee	847	6.500%		4.20577%	0.27338%
Texas	0	2.577%		0.00000%	0.00000%
Utah	0	5.000%		0.00000%	0.00000%
Vermont	0	0.000% *		0.00000%	0.00000%
Virginia	2,079	6.000%		10.32325%	0.61940%
Washington	0	0.000%		0.00000%	0.00000%
West Virginia	806	8.500%		4.00218%	0.34019%
Wisconsin	0	7.900%		0.00000%	0.00000%
Wyoming	0	0.000%		0.00000%	0.00000%
Total U.S.	20,139			100.00000%	5.94206%

There is no Class I railroad mileage in AK, HI, ME, NH, RI, VT, and any state marked with an "**".

Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

Tax rates are from the web site of the Tax Foundation, Washington, DC unless updated by AAR (Appendix B).

Rate for Texas is calculated, and may vary by railroad.

No rounding until final number.

SOO Average State Tax Rate for 2011

State	Miles SOO	Income		Pct Miles	Pct Miles x Tax Rate
		Tax Rate			
Alabama	0	6.500%		0.00000%	0.00000%
Arizona	0	6.968%		0.00000%	0.00000%
Arkansas	0	6.500%		0.00000%	0.00000%
California	0	8.840%		0.00000%	0.00000%
Colorado	0	4.630%		0.00000%	0.00000%
Connecticut	0	0.000%		0.00000%	0.00000%
Delaware	0	8.700%		0.00000%	0.00000%
Dist. of Columbia	0	9.975%		0.00000%	0.00000%
Florida	0	5.500%		0.00000%	0.00000%
Georgia	0	6.000%		0.00000%	0.00000%
Idaho	0	7.600%		0.00000%	0.00000%
Illinois	393	9.500%		6.40274%	0.60826%
Indiana	154	8.500%		2.50896%	0.21326%
Iowa	656	12.000%		10.68752%	1.28250%
Kansas	0	7.000%		0.00000%	0.00000%
Kentucky	0	6.000%		0.00000%	0.00000%
Louisiana	0	8.000%		0.00000%	0.00000%
Maine	0	0.000% *		0.00000%	0.00000%
Maryland	0	8.250%		0.00000%	0.00000%
Massachusetts	0	6.500%		0.00000%	0.00000%
Michigan	80	6.039%		1.30336%	0.07870%
Minnesota	1,725	9.800%		28.10362%	2.75415%
Mississippi	0	5.000%		0.00000%	0.00000%
Missouri	144	6.250%		2.34604%	0.14663%
Montana	0	6.750%		0.00000%	0.00000%
Nebraska	41	7.810%		0.66797%	0.05217%
Nevada	0	0.000%		0.00000%	0.00000%
New Hampshire	0	0.000% *		0.00000%	0.00000%
New Jersey	68	0.000%		1.10785%	0.00000%
New Mexico	0	7.600%		0.00000%	0.00000%
New York	561	0.000%		9.13978%	0.00000%
North Carolina	0	6.900%		0.00000%	0.00000%
North Dakota	482	8.650% +		7.85272%	0.67926%
Ohio	30	0.000%		0.48876%	0.00000%
Oklahoma	0	6.000%		0.00000%	0.00000%
Oregon	0	7.600%		0.00000%	0.00000%
Pennsylvania	451	9.990%		7.34767%	0.73403%
Rhode Island	0	0.000% *		0.00000%	0.00000%
South Carolina	0	5.000%		0.00000%	0.00000%
South Dakota	724	0.000%		11.79537%	0.00000%
Tennessee	0	6.500%		0.00000%	0.00000%
Texas	0	5.672%		0.00000%	0.00000%
Utah	0	5.000%		0.00000%	0.00000%
Vermont	0	0.000% *		0.00000%	0.00000%
Virginia	0	6.000%		0.00000%	0.00000%
Washington	0	0.000%		0.00000%	0.00000%
West Virginia	0	8.500%		0.00000%	0.00000%
Wisconsin	622	7.900%		10.13359%	0.80055%
Wyoming	7	0.000%		0.11404%	0.00000%
Total U.S.	6,138			100.00000%	7.34952%

There is no Class I railroad mileage in AK, HI, ME, NH, RI, VT, and any state marked with an "***".

Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

Tax rates are from the web site of the Tax Foundation, Washington, DC unless updated by AAR (Appendix B).

Rate for Texas is calculated, and may vary by railroad.

No rounding until final number.

"+" Waterman's Edge Surcharge Tax rate applied in North Dakota

UP Average State Tax Rate for 2011

State	Miles UP	Income		Pct Miles	Pct Miles x Tax Rate
		Tax Rate			
Alabama	0	6.500%		0.00000%	0.00000%
Arizona	642	6.968%		2.01267%	0.14024%
Arkansas	1,327	6.500%		4.16014%	0.27041%
California	3,287	8.840%		10.30472%	0.91094%
Colorado	1,535	4.630%		4.81221%	0.22281%
Connecticut	0	0.000%		0.00000%	0.00000%
Delaware	0	8.700%		0.00000%	0.00000%
Dist. of Columbia	0	9.975%		0.00000%	0.00000%
Florida	0	5.500%		0.00000%	0.00000%
Georgia	0	6.000%		0.00000%	0.00000%
Idaho	849	7.600%		2.66161%	0.20228%
Illinois	2,202	9.500%		6.90325%	0.65581%
Indiana	4	8.500%		0.01254%	0.00107%
Iowa	1,400	12.000%		4.38899%	0.52668%
Kansas	2,205	7.000%		6.91266%	0.48389%
Kentucky	12	6.000%		0.03762%	0.00226%
Louisiana	1,137	8.000%		3.56449%	0.28516%
Maine	0	0.000% *		0.00000%	0.00000%
Maryland	0	8.250%		0.00000%	0.00000%
Massachusetts	0	6.500%		0.00000%	0.00000%
Michigan	0	6.039%		0.00000%	0.00000%
Minnesota	646	9.800%		2.02521%	0.19847%
Mississippi	0	5.000%		0.00000%	0.00000%
Missouri	1,482	6.250%		4.64606%	0.29038%
Montana	125	6.750%		0.39187%	0.02645%
Nebraska	1,068	7.810%		3.34817%	0.26149%
Nevada	1,192	0.000%		3.73691%	0.00000%
New Hampshire	0	0.000% *		0.00000%	0.00000%
New Jersey	0	0.000%		0.00000%	0.00000%
New Mexico	618	7.600%		1.93743%	0.14724%
New York	0	0.000%		0.00000%	0.00000%
North Carolina	0	6.900%		0.00000%	0.00000%
North Dakota	0	5.150%		0.00000%	0.00000%
Ohio	0	0.000%		0.00000%	0.00000%
Oklahoma	1,173	6.000%		3.67735%	0.22064%
Oregon	1,073	7.600%		3.36385%	0.25565%
Pennsylvania	0	9.990%		0.00000%	0.00000%
Rhode Island	0	0.000% *		0.00000%	0.00000%
South Carolina	0	5.000%		0.00000%	0.00000%
South Dakota	0	0.000%		0.00000%	0.00000%
Tennessee	14	6.500%		0.04389%	0.00285%
Texas	6,319	2.548%		19.81002%	0.50471%
Utah	1,249	5.000%		3.91561%	0.19578%
Vermont	0	0.000% *		0.00000%	0.00000%
Virginia	0	6.000%		0.00000%	0.00000%
Washington	532	0.000%		1.66782%	0.00000%
West Virginia	0	8.500%		0.00000%	0.00000%
Wisconsin	928	7.900%		2.90927%	0.22983%
Wyoming	879	0.000%		2.75566%	0.00000%
Total U.S.	31,898			100.00000%	6.03504%

There is no Class I railroad mileage in AK, HI, ME, NH, RI, VT, and any state marked with an "**".

Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

Tax rates are from the web site of the Tax Foundation, Washington, DC unless updated by AAR (Appendix B).

Rate for Texas is calculated, and may vary by railroad.

No rounding until final number.

Workpapers Sent to Surface Transportation Board for 2011 State Tax Rate Calculations

May 30, 2012

1. Schedule 702 from 2011 Annual Report Form R-1 (7 pages)
2. Schedule 210 from 2011 Annual Report Form R-1 (14 pages)

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all road owned but not operated. The respondent's proportion of operated road held by it as a joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d), or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned but not operated should be shown in column (h), as appropriate. Mileage which has been permanently abandoned should not be included in column (h).

Mileage should be reported to the nearest WHOLE mile adjusted in accord with footings; i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.	
			Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)		
1		Alabama	115					185	300	22		1
2		Arizona	595						595			2
3		Arkansas	198					849	1,047			3
4		British Columbia	27					11	38	14		4
5		California	1,150					975	2,125	16		5
6		Colorado	773	96				533	1,402	3		6
7		Idaho	116					1	117	33		7
8		Illinois	1,174				2	376	1,552	5		8
9		Iowa	635					38	673	2		9
10		Kansas	1,231	3				475	1,709	6		10
11		Kentucky					13	86	99			11
12		Louisiana	237					111	348			12
13		Manitoba		4				69	73			13
14		Minnesota	1,584					102	1,686	10		14
15		Mississippi	166					13	179			15
16		Missouri	1,545					166	1,711	62		16
17		Montana	1,908					52	1,960	792		17
18		Nebraska	1,435					94	1,529			18
19		Nevada						805	805			19
20		New Mexico	896					461	1,357	248		20
21		North Dakota	1,698					16	1,714	730		21
22		Oklahoma	1,037					372	1,409	189		22
23		Oregon	235					151	386	127		23
24		South Dakota	898					28	926			24
25		Tennessee	17					127	144			25
26		Texas	2,566	20				2,524	5,110	100		26
27		Utah						433	433			27
28		Washington	1,461					172	1,633	113		28
29		Wisconsin	267					6	273			29
30		Wyoming	965					5	970	5		30
31												31
32		Total Mileage (Single Track)	22,929	123			15	9,236	32,303	2,477		32

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's proportion of operated road held by it as joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d), or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned, not operated, should be shown in column (h), as may be appropriate. Mileage which has been permanently abandoned should not be included in column (h). Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)	
1											1
2		ALABAMA	26	-	-	-	-	26			2
3											3
4		ILLINOIS	1,268	-	-	-	20	1,288			4
5											5
6		INDIANA	104	-	-	-	-	104			6
7											7
8		IOWA	574	-	-	-	-	574			8
9											9
10		KENTUCKY	86	12	-	-	-	98			10
11											11
12		LOUISIANA	239	-	-	-	-	239			12
13											13
14		MICHIGAN	901	-	2	-	29	932			14
15											15
16		MINNESOTA	380	-	-	-	-	380			16
17											17
18		MISSISSIPPI	577	-	-	-	177	754			18
19											19
20		OHIO	4	-	-	-	-	4			20
21											21
22		PENNSYLVANIA	156	-	-	-	-	156			22
23											23
24		TENNESSEE	161	-	-	-	-	161			24
25											25
26		WISCONSIN	1,351	-	-	-	10	1,361			26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	5,827	12	2	-	236	6,077			32

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all road owned but not operated. The respondent's proportion of operated road held by it as a joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d) or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned but not operated should be shown in column (h), as appropriate. Mileage which has been permanently abandoned should not be included in column (h).

Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e. counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	
1		Alabama	903	-	-	-	111	1,014	165	-	1
2		Connecticut	6	-	-	-	62	68	-	-	2
3		Delaware	23	-	-	-	21	44	-	-	3
4		District of Columbia	18	-	-	-	2	20	6	-	4
5		Florida	1,461	-	-	138	47	1,646	124	-	5
6		Georgia	1,421	-	118	-	75	1,614	147	-	6
7		Illinois	606	35	55	-	219	915	40	-	7
8		Indiana	1,170	191	15	-	259	1,635	281	-	8
9		Kentucky	1,566	15	1	10	46	1,638	57	-	9
10		Louisiana	35	-	-	-	8	43	-	-	10
11		Maryland	446	17	5	-	86	554	-	-	11
12		Massachusetts	220	-	10	9	154	393	3	-	12
13		Michigan	416	-	-	-	143	559	182	-	13
14		Mississippi	74	-	-	-	20	94	-	-	14
15		Missouri	-	-	-	-	13	13	-	-	15
16		New Jersey	63	-	-	-	585	648	2	-	16
17		New York	838	-	196	-	254	1,288	12	-	17
18		North Carolina	1,067	-	-	7	52	1,126	-	-	18
19		Ohio	1,275	-	140	12	466	1,893	233	-	19
20		Ontario, Canada	-	53	-	-	4	57	-	-	20
21		Pennsylvania	428	45	28	7	536	1,044	87	-	21
22		Quebec, Canada	-	13	30	-	6	49	12	-	22
23		South Carolina	1,222	-	47	-	17	1,286	12	-	23
24		Tennessee	830	-	15	-	160	1,005	67	-	24
25		Virginia	763	30	7	-	254	1,054	2	-	25
26		West Virginia	1,047	20	16	-	215	1,298	197	-	26
27											27
28											28
29											29
30											30
31											31
32		Total Mileage (Single Track)	15,898	419	683	183	3,815	20,998	1,629	-	32

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's proportion of operated road held by it as joint or common owner, or under a joint lease or under any joint arrangement, should be shown in columns (b), (c), (d) or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned, not operated, should be shown in column (h), as may be appropriate. Mileage which has been permanently abandoned should not be included in column (h). Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e. counting one-half mile and over as a whole mile and disregarding and fraction less than one-half mile.

Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned (b)	Line of propri- etary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)	
1		Missouri	396	-	-	-	-	396	-	-	1
2											2
3		Kansas	18	-	-	-	-	18	-	-	3
4											4
5		Arkansas	158	-	-	-	4	162	59	-	5
6											6
7		Oklahoma	150	-	-	-	1	151	6	-	7
8											8
9		Louisiana	673	-	2	-	62	737	173	-	9
10											10
11		Texas	578	-	-	-	243	821	-	-	11
12											12
13		Tennessee	5	-	-	-	-	5	-	-	13
14											14
15		Mississippi	587	-	1	-	19	607	54	-	15
16											16
17		Alabama	-	-	-	-	-	-	79	-	17
18											18
19		Illinois	182	-	-	-	-	182	-	-	19
20											20
21											21
22											22
23											23
24											24
25											25
26											26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	2,747	-	3	-	329	3,079	371	-	32

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's portion of operated road held by it as joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d), or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned, not operated, should be shown in column (h), as may be appropriate. Mileage which has been permanently abandoned should not be included in column (h). Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.	
			Line owned (b)	Line of propri- etary companies (c)	Line operated under lease (d)	Line operated under contract etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)		
1		Alabama	1,238					92	1,330	63		1
2		Canada						2	2			2
3		Delaware	160					43	203			3
4		District of Columbia						13	13			4
5		Florida	96					53	149			5
6		Georgia	1,769					9	1,778	313		6
7		Illinois	847					413	1,260	63		7
8		Indiana	1,224		2			265	1,491	96		8
9		Iowa	6				1	37	44	41		9
10		Kansas						2	2			10
11		Kentucky	156		212			63	431			11
12		Louisiana	72					4	76			12
13		Maryland	95					174	269			13
14		Michigan	258					230	488	156		14
15		Mississippi	209					2	211			15
16		Missouri	344					65	409			16
17		New Jersey	126					807	933			17
18		New York	457					294	751	190		18
19		North Carolina	922				11	364	1,297	418		19
20		Ohio	1,800		10			398	2,208	41		20
21		Pennsylvania	1,639				5	637	2,281	191		21
22		South Carolina	679					104	783	16		22
23		Tennessee	665		136			46	847	144		23
24		Virginia	1,972					107	2,079	93		24
25		West Virginia	759					47	806	41		25
26												26
27												27
28												28
29												29
30												30
31												31
32		TOTAL MILEAGE (single track)	15,493		360		17	4,271	20,141	1,866		32

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

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Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or Territory (a)	MILES OF ROAD OPERATED BY RESPONDENT							Line Owned, Not Operated By Respondent (h)	New Line Constructed During Year (i)	Line No.
			Line Owned (b)	Line of Proprietary Companies (c)	Line Operated Under Lease (d)	Line Operated Under Contract, etc. (e)	Line Operated Under Trackage Rights (f)	Total Mileage Operated (g)				
1		Illinois	158	0	0	0	235	393	0	0	1	
2		Indiana	0	0	0	0	154	154	0	0	2	
3		Iowa	653	0	0	0	3	656	0	0	3	
4		Kansas	0	0	0	0	0	0	0	0	4	
5		Michigan	0	0	0	0	80	80	0	0	5	
6		Minnesota	1,218	0	0	0	507	1,725	53	0	6	
7		Missouri	139	0	0	0	5	144	0	0	7	
8		Montana	0	0	0	0	0	0	57	0	8	
9		Nebraska	34	0	0	0	7	41	0	0	9	
10		New Jersey	0	0	0	0	68	68	0	0	10	
11		New York	355	0	0	0	206	561	0	0	11	
12		North Dakota	482	0	0	0	0	482	603	0	12	
13		Ohio	0	0	0	0	30	30	0	0	13	
14		Pennsylvania	127	0	0	0	324	451	0	0	14	
15		South Dakota	597	0	0	0	127	724	0	0	15	
16		Wisconsin	316	0	0	0	306	622	0	0	16	
17		Wyoming	7	0	0	0	0	7	0	0	17	
18											18	
19											19	
20											20	
21											21	
22											22	
23											23	
24											24	
25											25	
26											26	
27											27	
28											28	
29											29	
30											30	
31											31	
32		Total Mileage (single track)	4,086	0	0	0	2,052	6,138	713	0	32	

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's proportion of operated road held by it as joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d), or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned but not operated should be shown in column (h), as may be appropriate. Mileage which has been permanently abandoned should not be included in column (h).

Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings, i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or Territory (a)	Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	Line No.
1		Arizona	642	-	-	-	-	642	51	-	1
2		Arkansas	1,316	-	5	-	6	1,327	149	-	2
3		California	2,773	-	-	-	514	3,287	665	-	3
4		Colorado	1,154	-	-	-	381	1,535	171	-	4
5		Idaho	845	-	-	-	4	849	43	-	5
6		Illinois	1,542	19	4	-	637	2,202	10	-	6
7		Indiana	-	-	-	-	4	4	-	-	7
8		Iowa	1,305	-	-	-	95	1,400	6	-	8
9		Kansas	1,564	-	-	-	641	2,205	313	-	9
10		Kentucky	-	-	-	-	12	12	-	-	10
11		Louisiana	1,081	-	-	-	56	1,137	22	-	11
12		Minnesota	422	-	-	-	224	646	16	-	12
13		Missouri	971	-	-	-	511	1,482	365	-	13
14		Montana	125	-	-	-	-	125	52	-	14
15		Nebraska	977	-	-	-	91	1,068	254	-	15
16		Nevada	1,192	-	-	-	-	1,192	-	-	16
17		New Mexico	535	-	-	-	83	618	-	-	17
18		Oklahoma	514	-	308	-	351	1,173	65	-	18
19		Oregon	868	-	-	-	205	1,073	396	-	19
20		Tennessee	9	-	-	-	5	14	-	-	20
21		Texas	5,195	-	-	-	1,124	6,319	288	-	21
22		Utah	1,249	-	-	-	-	1,249	62	-	22
23		Washington	272	-	-	-	260	532	87	-	23
24		Wisconsin	597	-	-	-	331	928	107	-	24
25		Wyoming	879	-	-	-	-	879	-	-	25
26											26
27											27
28											28
29											29
30											30
31		TOTAL MILEAGE	26,027	19	317	-	5,535	31,898	3,122	-	31
32		(single track)									32

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose requested information for respondent pertaining to results of operations for the year. Cross-Checks
Schedule 210
Line 15, col b
2. Report total operating expenses from Sched. 410. Any differences between this schedule and Sched. 410 must be explained on page 18. Schedule 210
Lines 47,48,49 col b
Line 50, col b
3. List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25. Schedule 210
Line 14, col b
Line 14, col d
Line 14, col e
4. All contra entries should be shown in parenthesis. Schedule 210
= Line 62, col b
= Line 63, col b
= Line 64, col b

Schedule 410
= Line 620, col h
= Line 620, col f
= Line 620, col g

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	19,303,578	16,657,495	19,303,578		1
2		(102) Passenger					2
3		(103) Passenger-related					3
4		(104) Switching	32,375	30,475	32,375		4
5		(105) Water transfers					5
6		(106) Demurrage	140,711	115,102	140,711		6
7		(110) Incidental	101,571	114,097	101,571		7
8		(121) Joint facility - credit	10,053	12,152	10,053		8
9		(122) Joint facility - debit					9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	19,588,288	16,929,321	19,588,288		10
11		(502) Railway operating revenues - transfers from government authorities					11
12		(503) Railway operating revenues - amortization of deferred transfers from government authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	19,588,288	16,929,321	19,588,288		13
14	*	(531) Railway operating expenses	14,361,111	12,631,816	14,361,111		14
15	*	Net revenue from railway operations	5,227,177	4,297,505	5,227,177		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations					16
17		(510) Miscellaneous rent income					17
18		(512) Separately operated properties - profit					18
19		(513) Dividend income (cost method)	400	400			19
20		(514) Interest income	41,240	26,424			20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	28,267	91,651			24
25		Income from affiliated companies: 519 a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)					26
27		TOTAL OTHER INCOME (lines 16-26)	69,907	118,475			27
28		TOTAL INCOME (lines 15, 27)	5,297,084	4,415,980			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations					29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	20,116	20,928			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS	20,116	20,928			36
37		Income available for fixed charges	5,276,968	4,395,052			37

210. RESULTS OF OPERATIONS - Continued					
(Dollars in Thousands)					
Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
38		(546) Interest on funded debt:			
		(a) Fixed interest not in default	69,681	93,108	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt			40
41		(548) Amortization of discount on funded debt	2,632	2,819	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	72,313	95,927	42
43		Income after fixed charges (line 37 minus line 42)	5,204,655	4,299,125	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt:			
		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before inc. taxes)	5,204,655	4,299,125	46
PROVISIONS FOR INCOME TAXES					
47	*	(556) Income taxes on ordinary income:			
		(a) Federal income taxes	403,393	768,086	47
48	*	(b) State income taxes	78,752	140,821	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	1,458,460	776,782	50
51		TOTAL PROVISION FOR INCOME TAXES (lines 47 through 52)	1,940,605	1,685,689	51
52		Income from continuing operations (line 46 minus line 51)	3,264,050	2,613,436	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 52 through 54)	3,264,050	2,613,436	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes - Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)			60
61	*	Net income (Loss) (lines 55 + 59 + 60)	3,264,050	2,613,436	61
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
62	*	Net revenues from railway operations	5,227,177	4,297,505	62
63	*	(556) Income taxes on ordinary income (-)	482,145	908,907	63
64	*	(557) Provision for deferred income taxes (-)	1,458,460	776,782	64
65		Income from lease of road and equipment (-)	12,844	12,848	65
66		Rent for leased roads and equipment (+)			66
67		Net railway operating income (loss)	3,273,728	2,598,968	67

210 - RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose requested information for respondent pertaining to results of operations for the year.
2. Report total operating expenses from Sched 410. Any differences between this schedule and Sched. 410 must be explained on page 18.
3. List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25.
4. All contra entries should be shown in parenthesis.

Cross - Checks

Schedule 210
Line 15, col b
Lines 47, 48, 49 col b
Line 50, col b

Schedule 210
= Line 62, col b
= Line 63, col b
= Line 64, col b

Schedule 410
= Line 620, col h
= Line 620, col f
= Line 620, col g

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)
ORDINARY ITEMS						
OPERATING INCOME						
Railway Operating Income						
1		(101) Freight	2,497,948	2,224,318	2,497,948	-
2		(102) Passenger	-	-	-	-
3		(103) Passenger - related	-	-	-	-
4		(104) Switching	73,473	68,932	73,473	-
5		(105) Water Transfers	194,439	149,463	194,439	-
6		(106) Demurrage	38,704	28,905	38,704	-
7		(110) Incidental	14,680	58,094	14,680	-
8		(121) Joint Facility - credit	-	-	-	-
9		(122) Joint Facility - debit	-	-	-	-
10		(501) Railway operating revenues (Exclusive of transfers from government authorities - lines 1 - 9)	2,819,244	2,529,712	2,819,244	-
11		(502) Railway operating revenues - transfer from government authorities	3,465	3,728	3,465	-
12		(503) Railway operating revenues - amortization of deferred transfers from government authorities	571	551	571	-
13		TOTAL RAILWAY OPERATING REVENUES (Lines 10 - 12)	2,823,280	2,533,991	2,823,280	-
14	*	(531) Railway operating expenses	1,982,110	1,723,397	1,982,110	-
15	*	Net revenue from railway operations	841,170	810,594	841,170	-
OTHER INCOME						
16		(506) Revenue from property used in other than carrier operations	-	-	-	-
17		(510) Miscellaneous rent income	7,633	6,651	-	-
18		(512) Separately operated properties - profit	-	-	-	-
19		(513) Dividend income (cost method)	-	-	-	-
20		(514) Interest income	16	-	-	-
21		(516) Income from sinking and other funds	-	-	-	-
22		(517) Release of premiums on funded debt	-	-	-	-
23		(518) Reimbursements received under contracts and agreements	-	-	-	-
24		(519) Miscellaneous income	68,273	142	-	-
Income from affiliated companies: 519						
25		a) Dividends (equity method)	-	-	-	-
26		b) Equity in undistributed earnings (losses)	2,436	9,209	-	-
27		TOTAL OTHER INCOME (Lines 16 - 26)	78,358	16,002	-	-
28		TOTAL INCOME (Lines 15, 27)	919,528	826,596	-	-
MISCELLANEOUS DEDUCTIONS FROM INCOME						
29		(534) Expense of property used in other than carrier operations	1,200	1,200	-	-
30		(544) Miscellaneous taxes	-	-	-	-
31		(545) Separately operated properties - Loss	-	-	-	-
32		(549) Maintenance of investment organizations	-	-	-	-
33		(550) Income transferred under contracts and agreements	-	-	-	-
34		(551) Miscellaneous income charges	1,595	3,890	-	-
35		(553) Uncollectible accounts	-	-	-	-
36		TOTAL MISCELLANEOUS DEDUCTIONS	2,795	5,090	-	-
37		Income available for fixed charges	916,733	821,506	-	-

210 - RESULTS OF OPERATIONS - Continued

(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)
		FIXED CHARGES		
		(546) Interest on funded debt:		
38		(a) Fixed interest not in default	286,953	258,477
39		(b) Interest in default	-	-
40		(547) Interest on unfunded debt	-	-
41		(548) Amortization of discount on funded debt	95	95
42		TOTAL FIXED CHARGES (Lines 38 - 41)	287,048	258,572
43		Income after fixed charge (Line 37 - Line 42)	629,685	562,934
		OTHER DEDUCTIONS		
		(546) Interest on funded debt:		
44		(c) Contingent interest	-	-
		UNUSUAL OR INFREQUENT ITEMS		
45		(555) Unusual or infrequent items (debit) credit	-	-
46		Income (Loss) from continuing operations (before inc. taxes)	629,685	562,934
		PROVISIONS FOR INCOME TAXES		
		(556) Income taxes on ordinary income:		
47	*	a) Federal income taxes	15,977	29,964
48	*	b) State income taxes	14,409	12,302
49	*	c) Other income taxes	33	-
50	*	(557) Provision for deferred taxes	242,720	165,667
51		TOTAL PROVISIONS FOR INCOME TAXES (Lines 47 - 52)	273,139	207,933
52		Income from continuing operations (line 46 minus line 51)	356,546	355,001
		DISCONTINUED OPERATIONS		
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)	-	-
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)	-	-
55		Income before extraordinary Items (Line 52 - 54)	356,546	355,001
		EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
56		(570) Extraordinary items (Net)	-	-
57		(590) Income taxes on extraordinary items	-	-
58		(591) Provision for deferred taxes - Extraordinary items	-	-
59		TOTAL EXTRAORDINARY ITEMS (Lines 56 - 58)	-	-
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)	-	-
61	*	Net income (loss) (lines 55 + 59 + 60)	356,546	355,001
		RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)		
62	*	Net revenues from railway operations	841,170	810,594
63	*	(556) Income taxes on ordinary income (-)	30,419	42,266
64	*	(557) Provision for deferred taxes (-)	242,720	165,667
65		Income from leased road and equipment (-)	-	-
66		Rent for leased road and equipment (+)	2	1,350
67		Net railway operating income (loss)	568,033	604,011

210. RESULTS OF OPERATIONS
(Dollars in Thousands)

1. Disclose requested information for respondent pertaining to results of operations for the year.
2. Report total operating expenses from Sched. 410. Any differences between this schedule and Sched. 410 must be explained on page 18.
3. List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25.
4. All contra entries should be shown in parenthesis.

Cross-Checks

Schedule 210
Line 15, col b
Lines 47,48,49 col b
Line 50, col b

Schedule 210
= Line 62, col (b)
= Line 63, col (b)
= Line 64, col (b)

Schedule 410
= Line 620, col h
= Line 620, col f
= Line 620, col g

Line No.	Cross Check	Item	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS OPERATING INCOME Railway Operating Income					
1		(101) Freight	\$ 11,492,247	\$ 9,987,444	\$ 11,492,247		1
2		(102) Passenger	-	-	-		2
3		(103) Passenger-related	-	-	-		3
4		(104) Switching	(116,863)	(108,107)	(116,863)		4
5		(105) Water transfers	-	-	-		5
6		(106) Demurrage	61,465	46,704	61,465		6
7		(110) Incidental	239,234	255,564	239,234		7
8		(121) Joint facility - credit	-	-	-		8
9		(122) Joint facility - debit	-	-	-		9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	11,676,083	10,181,605	11,676,083	-	10
11		(502) Railway operating revenues - transfers from government authorities	-	-			11
12		(503) Railway operating revenues - amortization of deferred transfers from government authorities	-	-			12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	\$ 11,676,083	\$ 10,181,605	\$ 11,676,083	-	13
14		(531) Railway operating expenses	8,695,335	7,367,262	8,695,335		14
15		Net revenue from railway operations	\$ 2,980,748	\$ 2,814,343	\$ 2,980,748		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	\$ 11,019	\$ 8,770			16
17		(510) Miscellaneous rent income	37,716	38,901			17
18		(512) Separately operated properties - profit	-	-			18
19		(513) Dividend income (cost method)	10,428	7,699			19
20		(514) Interest Income	36,102	40,315			20
21		(516) Income from sinking and other funds	-	-			21
22		(517) Release of premiums on funded debt	-	-			22
23		(518) Reimbursements received under contracts and agreements	-	-			23
24		(519) Miscellaneous income	8,435	12,204			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)	-	-			25
26		b. Equity in undistributed earnings (losses)	2,968	2,926			26
27		TOTAL OTHER INCOME (lines 16-26)	\$ 106,668	\$ 110,815			27
28		TOTAL INCOME (lines 15, 27)	\$ 3,087,416	\$ 2,925,158			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	(31,292)	(27,872)			29
30		(544) Miscellaneous taxes	-	-			30
31		(545) Separately operated properties-Loss	-	-			31
32		(549) Maintenance of investment organization	-	-			32
33		(550) Income transferred under contracts and agreements	-	-			33
34		(551) Miscellaneous income charges	(61,955)	(73,286)			34
35		(553) Uncollectible accounts	-	-			35
36		TOTAL MISCELLANEOUS DEDUCTIONS	\$ (93,247)	\$ (101,158)			36
37		Income available for fixed charges	\$ 2,994,169	\$ 2,824,000			37

210. RESULTS OF OPERATIONS - Continued

(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
38		(546) Interest on funded debt: (a) Fixed interest not in default	\$ 78,941	\$ 89,576	38
39		(b) Interest in default	-	-	39
40		(547) Interest on unfunded debt	1,413	1,640	40
41		(548) Amortization of discount on funded debt	(5,382)	(5,440)	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	\$ 74,972	\$ 85,776	42
43		Income after fixed charges (line 37 minus line 42)	\$ 2,919,197	\$ 2,738,224	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt: (c) Contingent interest	-	-	44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit	-	-	45
46		Income (Loss) from continuing operations (before inc. taxes)	\$ 2,919,197	\$ 2,738,224	46
PROVISIONS FOR INCOME TAXES					
47		(556) Income taxes on ordinary income: (a) Federal income taxes	\$ 401,087	\$ 595,318	47
48		(b) State income taxes	101,432	71,089	48
49		(c) Other income taxes	1,166	130	49
50		(557) Provision for deferred taxes	570,779	391,945	50
51		TOTAL PROVISION FOR INCOME TAXES (lines 47 through 50)	\$ 1,074,464	\$ 1,058,482	51
52		Income from continuing operations (line 46 minus line 51)	\$ 1,844,733	\$ 1,679,742	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$ 0)	-	-	53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ 0)	-	-	54
55		Income before extraordinary items (lines 52 through 54)	\$ 1,844,733	\$ 1,679,742	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)	-	-	56
57		(590) Income taxes on extraordinary items	-	-	57
58		(591) Provision for deferred taxes - Extraordinary items	-	-	58
59		TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)	-	-	59
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$ 0).	-	-	60
61		Net income (Loss) (lines 55 + 59 + 60)	\$ 1,844,733	\$ 1,679,742	61
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
62		Net revenues from railway operations	\$ 2,980,748	\$ 2,814,343	62
63		(556) Income taxes on ordinary income (-)	(503,685)	(666,537)	63
64		(557) Provision for deferred income taxes (-)	(570,779)	(391,945)	64
65		Income from lease of road and equipment (-)	(36,900)	(28,693)	65
66		Rent for leased roads and equipment (+)	14,121	13,862	66
67		Net railway operating income (loss)	\$ 1,883,505	\$ 1,741,030	67

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 18.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513. "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parentheses.

5. Cross checks:

Schedule 210

Line 15, column (b)

Line 47 plus 48 plus 49, column (b)

Line 50, column (b)

Line 14, column (b)

Line 14, column (d)

Line 14, column (e)

Schedule 210

= Line 62, column (b)

= Line 63, column (b)

= Line 64, column (b)

Schedule 410

= Line 620, column (h)

= Line 620, column (f)

= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	1,104,979	970,721	1,104,979	NONE	1
2		(102) Passenger	-	-	-		2
3		(103) Passenger-Related	-	-	-		3
4		(104) Switching	12,785	13,090	12,785		4
5		(105) Water Transfers	-	-			5
6		(106) Demurrage	22,976	18,178	22,976		6
7		(110) Incidental	14,980	13,898	14,980		7
8		(121) Joint Facility - Credit	-	-	-		8
9		(122) Joint Facility - Debit	-	-	-		9
10		(501) Railway Operating Revenues (Exclusive of Transfers from Government Authorities - Lines 1-9)	1,155,720	1,015,887	1,155,720		10
11		(502) Railway Operating Revenues - Transfers from Government Authorities for Current Operations	-	-	-		11
12		(503) Railway Operating Revenues - Amortization of Deferred Transfers from Government Authorities	-	-	-		12
13		TOTAL RAILWAY OPERATING REVENUES (Lines 10-12)	1,155,720	1,015,887	1,155,720		13
14		(531) Railway Operating Expenses	862,080	761,668	862,080		14
15		Net Revenue from Railway Operations	293,640	254,219	293,640		15
		OTHER INCOME					
16		(506) Revenue from Property Used in Other Than Carrier Operations	29	10			16
17		(510) Miscellaneous Rent Income	-	(7)			17
18		(512) Separately Operated Properties - Profit	-	-			18
19		(513) Dividend Income (Cost Method)	-	-			19
20		(514) Interest Income	453	126			20
21		(516) Income from Sinking and Other Funds	-	-			21
22		(517) Release of Premiums on Funded Debt	-	-			22
23		(518) Reimbursements Received under Contracts and Agreements	-	-			23
24		(519) Miscellaneous Income	3,815	9,105			24
		Income from Affiliated Companies: 519					
25		a. Dividends (Equity Method)	6,853	8,000			25
26		b. Equity in Undistributed Earnings (Losses)	(3,633)	(1,279)			26
27		TOTAL OTHER INCOME (Lines 16-26)	7,517	15,955			27
28		TOTAL INCOME (Lines 15, 27)	301,157	270,174			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of Property Used in Other Than Carrier Operations	21	22			29
30		(544) Miscellaneous Taxes	-	-			30
31		(545) Separately Operated Properties - Loss	-	-			31
32		(549) Maintenance of Investment Organization	-	-			32
33		(550) Income Transferred under Contracts and Agreements	-	-			33
34		(551) Miscellaneous Income Charges	69	715			34
35		(553) Uncollectible Accounts	-	-			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (Lines 29-35)	90	737			36
37		Income Available for Fixed Charges (Lines 28, 36)	301,067	269,437			37

210. RESULTS OF OPERATIONS - Concluded (Dollars in Thousands)					
Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on Funded Debt:			
38		(a) Fixed Interest Not in Default	88,513	97,838	38
39		(b) Interest in Default	-	-	39
40		(547) Interest on Unfunded Debt	(451)	231	40
41		(548) Amortization of Discount on Funded Debt	31,076	18,977	41
42		TOTAL FIXED CHARGES (Lines 38-41)	119,138	117,046	42
43		Income after Fixed Charges (Lines 37, 42)	181,929	152,391	43
OTHER DEDUCTIONS					
		(546) Interest on Funded Debt:			
44		(c) Contingent Interest	-	-	44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or Infrequent Items (Debit) Credit	-	-	45
46		Income (Loss) from Continuing Operations (before Income Taxes)	181,929	152,391	46
PROVISIONS FOR INCOME TAXES					
		(556) Income Taxes on Ordinary Income:			
47		(a) Federal Income Taxes	-	-	47
48		(b) State Income Taxes	(116)	973	48
49		(c) Other Income Taxes	-	-	49
50		(557) Provision for Deferred Taxes	62,539	55,326	50
51		TOTAL PROVISIONS FOR INCOME TAXES (Lines 47-50)	62,423	56,299	51
52		Income from Continuing Operations (Lines 46-51)	119,506	96,092	52
DISCONTINUED OPERATIONS					
		(560) Income or Loss from Operations of Discontinued Segments (Less Applicable Income Taxes of \$ -)	-	-	53
54		(562) Gain or Loss on Disposal of Discontinued Segments (Less Applicable Tax of \$ -)	-	-	54
55		Income before Extraordinary Items (Lines 52 + 53 + 54)	119,506	96,092	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary Items (net)	-	-	56
57		(590) Income Taxes on Extraordinary Items	-	-	57
58		(591) Provision for Deferred Taxes - Extraordinary Items	-	-	58
59		TOTAL EXTRAORDINARY ITEMS (Lines 56-58)	-	-	59
60		(592) Cumulative Effect of Changes in Accounting Principles (Less Applicable Tax of \$ -)	-	-	60
61		Net Income (Loss) (Lines 55 + 59 + 60)	119,506	96,092	61
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
62		Net Revenues from Railway Operations	293,640	254,219	62
63		(556) Income Taxes on Ordinary Income (-)	(116)	973	63
64		(557) Provision for Deferred Taxes (-)	62,539	55,326	64
65		Income from Lease of Road and Equipment (-)	-	-	65
66		Rent for Leased Roads and Equipment (+)	130	174	66
67		Net Railway Operating Income (Loss)	231,347	198,094	67

210. RESULTS OF OPERATIONS
(Dollars in Thousands)

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 18.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513, "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks

Schedule 210	Schedule 210
Line 15, column (b)	= Line 62, column (b)
Line 47 plus 48 plus 49, column (b)	= Line 63, column (b)
Line 50, column (b)	= Line 64, column (b)
	Schedule 410
Line 14, column (b)	= Line 620, column (h)
Line 14, column (d)	= Line 620, column (f)
Line 14, column (e)	= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	10,721,647	9,133,313	10,721,647		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	73,344	73,193	73,344		4
5		(105) Water Transfers					5
6		(106) Demurrage	159,217	155,292	159,217		6
7		(110) Incidental	217,565	154,637	217,565		7
8		(121) Joint Facility-Credit (Debit)					8
9		(122) Joint Facility-Debit (Credit)					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	11,171,773	9,516,435	11,171,773		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	11,171,773	9,516,435	11,171,773		13
14	*	(531) Railway operating expenses	8,191,691	7,055,526	8,191,691		14
15	*	Net revenue from railway operations	2,980,082	2,460,909	2,980,082		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	4,628	2,491			16
17		(510) Miscellaneous rent income	43,609	42,267			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	33,736	28,543			19
20		(514) Interest Income	13,554	11,649			20
21		(516) Income from sinking and other funds	0	0			21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	152,278	172,262			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)	(2,961)	7			26
27		TOTAL OTHER INCOME (lines 16-26)	244,844	257,219			27
28		TOTAL INCOME (lines 15, 27)	3,224,926	2,718,128			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	19,675	20,391			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	21,820	16,411			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	41,495	36,802			36
37		Income available for fixed charges (lines 28, 36)	3,183,431	2,681,326			37

210. RESULTS OF OPERATIONS - Continued
(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
		FIXED CHARGES			
38		(546) Interest on funded debt:			
		(a) Fixed interest not in default	46,397	34,956	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	102,217	125,302	40
41		(548) Amortization of discount on funded debt	46	50	41
42		TOTAL FIXED CHARGES (lines 38-41)	148,660	160,308	42
43		Income after fixed charges (lines 37, 42)	3,034,771	2,521,018	43
		OTHER DEDUCTIONS			
44		(546) Interest on funded debt:			
		(c) Contingent interest			44
		UNUSUAL OR INFREQUENT ITEMS			
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	3,034,771	2,521,018	46
		PROVISIONS FOR INCOME TAXES			
47	*	(556) Income taxes on ordinary income:			
		(a) Federal income taxes	503,087	501,851	47
48	*	(b) State income taxes	40,014	61,701	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	496,666	312,291	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	1,039,767	875,843	51
52		Income from continuing operations (lines 46+51)	1,995,004	1,645,175	52
		DISCONTINUED OPERATIONS			
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 52+53+54)	1,995,004	1,645,175	55
		EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES			
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)			60
61	*	Net income (Loss) (lines 55+59+60)	1,995,004	1,645,175	61
		Reconciliation of net railway operating income(NROI)			
62		Net revenues from railway operation	2,980,082	2,460,909	62
63	*	(556) Income taxes on ordinary income (-)	(543,101)	(563,552)	63
64	*	(557) Provision for deferred income taxes (-)	(496,666)	(312,291)	64
65		Income from lease of road and equipment (-)	(8,918)	(8,385)	65
66		Rent for leased roads and equipment (+)	23,432	23,266	66
67		Net railway operating income (loss)	1,954,829	1,599,947	67

210. RESULTS OF OPERATIONS
(Dollars in thousands)

1. Disclose requested information for the respondent pertaining to the results of operations for the year.
2. Report total operating expenses from Sched. 410. Any differences between this schedule and Sched. 410 must be explained on page 18.
3. List dividends from investments accounted for under the cost method on line No. 19, and list dividends accounted for under the equity method on line 25.
4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks:

Schedule 210
Line 15, column (b)
Line 47, 48, 49 col (b)
Line 50, col (b)

Schedule 210
= Line 62, col (b)
= Line 63, col (b)
= Line 64, col (b)

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)

Schedule 410
= Line 620, col (h)
= Line 620, col (f)
= Line 620, col (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
ORDINARY ITEMS							
OPERATING INCOME							
		Railway Operating Income					
1		(101) Freight	1,399,224	1,267,235	1,399,224	0	1
2		(102) Passenger	0	0	0	0	2
3		(103) Passenger-Related	0	0	0	0	3
4		(104) Switching	10,691	10,413	10,691	0	4
5		(105) Water Transfers	0	0	0	0	5
6		(106) Demurrage	10,463	13,370	10,463	0	6
7		(110) Incidental	1,058	1,533	1,058	0	7
8		(121) Joint Facility-Credit	0	0	0	0	8
9		(122) Joint Facility-Debit	0	0	0	0	9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	1,421,436	1,292,551	1,421,436	0	10
11		(502) Railway operating revenues-Transfers from Government Authorities	0	0	0	0	11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities	1,153	1,281	1,153	0	12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	1,422,589	1,293,832	1,422,589	0	13
14		(531) Railway operating expenses	1,160,806	994,219	1,160,806	0	14
15		Net revenue from railway operations	261,783	299,613	261,783	0	15
OTHER INCOME							
16		(506) Revenue from property used in other than carrier operations	0	0			16
17		(510) Miscellaneous rent income	9,915	9,991			17
18		(512) Separately operated properties-Profit	0	0			18
19		(513) Dividend Income (cost method)	2	1			19
20		(514) Interest Income	577	2,961			20
21		(516) Income from sinking and other funds	0	0			21
22		(517) Release of premiums on funded debt	0	0			22
23		(518) Reimbursements received under contracts and agreements	0	0			23
24		(519) Miscellaneous income	193	1,059			24
Income from affiliated companies: 519							
25		a. Dividends (equity method)	294	392			25
26		b. Equity in undistributed earnings (losses)	3,519	3,630			26
27		TOTAL OTHER INCOME (lines 16-26)	14,500	18,034			27
28		TOTAL INCOME (lines 15, 27)	276,283	317,647			28
MISCELLANEOUS DEDUCTIONS FROM INCOME							
29		(534) Expenses of property used in other than carrier operations	0	0			29
30		(544) Miscellaneous taxes	0	0			30
31		(545) Separately operated properties-loss	0	0			31
32		(549) Maintenance of investment organization	0	0			32
33		(550) Income Transferred under contracts and agreements	0	0			33
34		(551) Miscellaneous income charges	3,701	6,811			34
35		(553) Uncollectible accounts	0	0			35
36		TOTAL MISCELLANEOUS DEDUCTIONS	3,701	6,811			36
37		Income available for fixed charges	272,582	310,836			37

210. RESULTS OF OPERATIONS - Continued (Dollars in thousands)					
Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
38		(546) Interest on funded long-term debt: (a) Fixed interest not in default	96,903	80,755	38
39		(b) Interest in default	0	0	39
40		(547) Interest on unfunded debt	100	101	40
41		(548) Amortization of discount on funded debt	0	0	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	97,003	80,856	42
43		Income after fixed charges (lines 37 minus line 42)	175,579	229,980	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt: (c) Contingent interest	0	0	44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit	0	0	45
46		Income (loss) from continuing operations (before income taxes)	175,579	229,980	46
PROVISIONS FOR INCOME TAXES					
47		(556) Income taxes on ordinary income: (a) Federal income taxes	(3,566)	2,892	47
48		(b) State income taxes	2,014	5,020	48
49		(c) Other income taxes	0	0	49
50		(557) Provision for deferred taxes	69,744	82,459	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47 through 50)	68,192	90,371	51
52		Income from continuing operations (line 46 minus line 51)	107,387	139,609	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)	0	0	53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)	0	0	54
55		Income before extraordinary items (lines 52 through 54)	107,387	139,609	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (net)	0	0	56
57		(590) Income taxes on extraordinary items	0	0	57
58		(591) Provision for deferred taxes-Extraordinary items	0	0	58
59		TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)	0	0	59
60		(592) Cumulative effect of changes in accounting principles (\$23,953) less applicable tax of \$9,103	0	(14,850)	60
61		Net income (loss) (lines 55 + 59 + 60)	107,387	124,759	61
Reconciliation of net railway operating income (NROI)					
62		Net revenues from railway operations	261,783	299,613	62
63		(556) Income taxes on ordinary income (-)	(1,552)	7,912	63
64		(557) Provision for deferred income taxes (-)	69,744	82,459	64
65		Income from lease of road and equipment (-)	0	0	65
66		Rent for leased roads and equipment (+)	226	494	66
67		Net railway operating income (loss)	193,817	209,736	67

210. RESULTS OF OPERATIONS
(Dollars in Thousands)

1 Disclose the requested information for respondent pertaining to results of operations for the year.

Cross-checks

2 Report total operating expenses from Schedule 410. Any differences between this schedule and Schedule 410 must be explained on page 18.

Schedule 210
Line 15, col b
Lines 47, 48, 49 col b
Line 50, col b

Schedule 210
= Line 62, col b
= Line 63, col b
= Line 64, col b

3 List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25.

Line 14, col b
Line 14, col d
Line 14, col e

Schedule 410
= Line 620, col h
= Line 620, col f
= Line 620, col g

4 All contra entries should be shown in parenthesis.

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue and expenses (d)	Passenger-related revenue and expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	18,507,855	16,069,525	18,507,855		1
2		(102) Passenger	82,760	81,033		82,760	2
3		(103) Passenger-Related	501	1,284		501	3
4		(104) Switching	153,895	149,353	153,895		4
5		(105) Water Transfers					5
6		(106) Demurrage	84,272	80,355	84,272		6
7		(110) Incidental	580,686	446,840	580,686		7
8		(121) Joint Facility-Credit	12,088	13,073	12,088		8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	19,422,057	16,841,463	19,338,796	83,261	10
11		(502) Railway operating revenues-transfers from government authorities	107,092	93,381		107,092	11
12		(503) Railway operating revenues-amortization of deferred transfers from government authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	19,529,149	16,934,844	19,338,796	190,353	13
14	*	(531) Railway operating expenses	14,043,514	12,173,754	13,858,134	185,380	14
15	*	Net revenue from railway operations	5,485,635	4,761,090	5,480,662	4,973	15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	23,627	24,295			16
17		(510) Miscellaneous rent income	85,241	85,356			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend income (cost method)	213	219			19
20		(514) Interest income	123,904	31,881			20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt	3,353	4,123			22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	45,086	35,477			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)	29,695	31,246			25
26		b. Equity in undistributed earnings (losses)	50,834	55,183			26
27		TOTAL OTHER INCOME (lines 16-26)	361,953	267,780			27
28		TOTAL INCOME (lines 15, 27)	5,847,588	5,028,870			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	11,946	12,146			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	29,544	64,305			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS	41,490	76,451			36
37		Income available for fixed charges	5,806,098	4,952,419			37

210. RESULTS OF OPERATIONS - (Concluded)					
(Dollars in Thousands)					
Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
38		(546) Interest on funded debt:			
		(a) Fixed interest not in default	138,626	155,971	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	291,301	296,893	40
41		(548) Amortization of discount on funded debt	2,882	2,581	41
42		TOTAL FIXED CHARGES (lines 38-41)	432,809	455,445	42
43		Income after fixed charges (line 37 minus line 42)	5,373,289	4,496,974	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt:			
		(c) Contingent interest	7,598	7,625	44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	5,365,691	4,489,349	46
PROVISIONS FOR INCOME TAXES					
47	*	(556) Income taxes on ordinary income:			
		(a) Federal income taxes	954,195	947,996	47
48	*	(b) State income taxes	150,179	130,593	48
49	*	(c) Other income taxes	65,392	24,499	49
50	*	(557) Provision for deferred taxes	843,682	653,774	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-52)	2,013,448	1,756,862	51
52		Income from continuing operations (line 46 minus line 51)	3,352,243	2,732,487	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$ _____)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ _____)			54
55		Income before extraordinary items (lines 52 - 54)	3,352,243	2,732,487	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes - Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$ _____)			60
61	*	Net income (Loss) (Lines 55 + 59 + 60)	3,352,243	2,732,487	61
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
62	*	Net revenues from railway operations	5,485,635	4,761,090	62
63	*	(556) Income taxes on ordinary income (-)	(1,169,766)	(1,103,088)	63
64	*	(557) Provision for deferred income taxes (-)	(843,682)	(653,774)	64
65		Income from lease of road and equipment (-)			65
66		Rent for leased roads and equipment (+)	2,754	3,195	66
67		Net railway operating income (loss)	3,474,941	3,007,423	67

Note: Line 49 reflects unrecognized tax benefits expense.