

REG-1-068, Railroads

068.01 The sale of rolling stock to any railroad or any other person, whether a common or contract carrier or otherwise, is exempt. In addition, the sale of repair parts or replacement materials for use on such rolling stock is not taxable.

068.02 See Reg-1-015, Common and Contract Carriers (Multistate Operations) - Tax Deferral for the taxation of items that may be used in another state.

068.03 Sales of other types of property to and by railroads are taxable in the same manner as are sales to and by other firms, persons, or corporations.

068.04 Examples of such taxable purchases by railroads for use in this state include but are not limited to the following:

068.04A Water, sewer, and telephone service at depots;

068.04B Ties, rails, rock, and the like for track maintenance;

068.04C Office furniture and supplies; and

068.04D Motor vehicles not utilized as common carriers.

068.05 Sales of special fuel, as defined in Chapter 66, article 6, used to provide motive power for railroad rolling stock, are exempt from the sales and use tax.

(Section 77-2704.27, R.S.Supp., 1992, and sections 77-2702.13, 77-2704.05, 77-2704.11, 77-2704.30, and 77-2706(6) R.S.Supp., 1993. May 14, 1994.)