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May 25, 2017
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Senior Vice President - Policy & Economics

May 25, 2017

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

Re: Ex Parte No. 682 (Sub-No. 8), Annual Submission of State Tax Information for Use in the Revenue Shortfall Allocation Method (2016)

Dear Ms. Brown:

This submission by the Association of American Railroads (AAR) is the AAR's calculation of the 2016 weighted average state tax rate for each Class I railroad, filed 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>2016</u>	<u>2015</u>	Percentage Point <u>Change</u>
BNSF Railway Company	5.288%	5.271%	0.017%
CSX Transportation, Inc.	5.160%	5.247%	-0.087%
Grand Trunk Corporation	7.761%	7.767%	-0.006%
The Kansas City Southern Rwy	5.447%	5.430%	0.017%
Norfolk Southern Combined	5.410%	5.501%	-0.091%
Soo Line Corporation	8.071%	8.083%	-0.012%
Union Pacific Railroad Company	5.636%	5.655%	-0.019%

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 Tiffany Placker (202 639-2381) of this office.

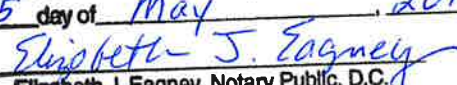
Sincerely,



John T. Gray

Attachments



District of Columbia: SS
Subscribed and sworn to before me, in my presence,
this 35 day of May, 2017

Elizabeth J. Eagney, Notary Public, D.C.
My commission expires August 14, 2017.

**Before the
Surface Transportation Board**

Ex Parte No. 682

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

**2016
Weighted Average State Tax Rates**

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

May 25, 2017

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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 weighted average state tax rates is the same as was used in all calculations since the calculation for 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 2016.

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 weigh 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. The AAR also retrieves state tax forms to check against the Tax Foundation.

Notes

The following states have lower income tax rates in 2016: Arizona, Indiana, New Mexico, and North Carolina. No states had higher tax rates. The rate for the District of Columbia is also lower for 2016.

The railroad with the biggest decrease in its weighted average tax rate was Norfolk Southern. NS operates almost 14% of their mileage in Indiana and North Carolina, and those states had lower tax rates this year. The railroad also reduced mileage in several states that have higher than average tax rates, including West Virginia and Delaware. The average tax rate for BNSF rose slightly because of increased mileage operated in California, which has a high tax rate. The average rate for KCS went up solely because of its Texas rate calculation. Grand Trunk Corporation and Soo Line Corporation have higher average tax rates than the other railroads because 37 to 57 percent of their US mileage is in Minnesota, Iowa, and Illinois – states with income tax rates among the highest in the nation.

State Miles Operated for 2016

State	BNSF	CNGT	CSX	KCS	NS	SOO	UP	Total	
Alabama	231	26	1,011	44	1,304	0	0	2,616	AL
Arizona	659	0	0	0	0	0	691	1,350	AZ
Arkansas	1,030	0	0	163	0	0	1,326	2,519	AR
California	2,168	0	0	0	0	0	3,291	5,459	CA
Colorado	1,341	0	0	0	0	0	1,503	2,844	CO
Connecticut	0	0	68	0	0	0	0	68	CT
Delaware	0	0	44	0	78	0	0	122	DE
Dist. of Columbia	0	0	20	0	13	0	0	33	DC
Florida	0	0	1,658	0	148	0	0	1,806	FL
Georgia	0	0	1,614	0	1,705	0	0	3,319	GA
Idaho	106	0	0	0	0	0	847	953	ID
Illinois	1,544	1,279	873	199	1,256	402	2,319	7,872	IL
Indiana	0	103	1,544	0	1,441	154	19	3,261	IN
Iowa	662	574	0	0	43	663	1,383	3,325	IA
Kansas	1,587	0	0	18	2	0	2,196	3,803	KS
Kentucky	98	98	1,671	0	429	0	12	2,308	KY
Louisiana	362	239	43	744	76	0	1,143	2,607	LA
Maine	0	0	0	0	0	0	0	0	ME
Maryland	0	0	535	0	233	0	0	768	MD
Massachusetts	0	0	400	0	0	0	0	400	MA
Michigan	0	923	558	0	487	80	0	2,048	MI
Minnesota	1,701	378	0	0	0	1,703	645	4,427	MN
Mississippi	179	575	94	723	211	0	0	1,782	MS
Missouri	1,614	0	11	417	409	144	1,541	4,136	MO
Montana	2,648	0	0	0	0	0	125	2,773	MT
Nebraska	1,478	0	0	0	0	0	1,067	2,545	NE
Nevada	798	0	0	0	0	0	1,193	1,991	NV
New Hampshire	0	0	0	0	0	0	0	0	NH
New Jersey	0	0	646	0	931	0	0	1,577	NJ
New Mexico	1,598	0	0	0	0	0	618	2,216	NM
New York	0	0	1,295	0	890	414	0	2,599	NY
North Carolina	0	0	1,125	0	1,189	0	0	2,314	NC
North Dakota	1,633	0	0	0	0	530	0	2,163	ND
Ohio	0	4	1,872	0	2,021	30	0	3,927	OH
Oklahoma	1,287	0	0	151	0	0	1,172	2,610	OK
Oregon	408	0	0	0	0	0	1,073	1,481	OR
Pennsylvania	0	156	1,063	0	2,402	0	0	3,621	PA
Rhode Island	0	0	0	0	0	0	0	0	RI
South Carolina	0	0	1,308	0	762	0	0	2,070	SC
South Dakota	905	0	0	0	0	112	0	1,017	SD
Tennessee	137	161	988	5	829	0	14	2,134	TN
Texas	4,980	0	0	928	0	0	6,307	12,215	TX
Utah	437	0	0	0	0	0	1,248	1,685	UT
Vermont	0	0	0	0	0	0	0	0	VT
Virginia	0	0	1,051	0	1,990	0	0	3,041	VA
Washington	1,455	0	0	0	0	0	532	1,987	WA
West Virginia	0	0	1,317	0	618	0	0	1,935	WV
Wisconsin	250	1,432	0	0	0	608	930	3,220	WI
Wyoming	965	0	0	0	0	0	875	1,840	WY
Total U.S.	32,261	5,948	20,809	3,392	19,467	4,840	32,070	118,787	
Canada	114	0	83	0	2	0	0	199	
Grand Total	32,375	5,948	20,892	3,392	19,469	4,840	32,070	118,986	

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 2016

State	Inc.Tax Rate	Comments
Alabama	6.500%	
Arizona	5.500%	*** Lower for 2016.
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	9.200%	*** Lower for 2016.
Florida	5.500%	
Georgia	6.000%	
Idaho	7.400%	
Illinois	7.750%	5.25% income tax +2.5% "replacement tax"
Indiana	6.375%	*** Lower for 2016. 6.5% for first half of year, changed to 6.25% for second half of year
Iowa	12.000%	
Kansas	7.000%	4% plus 3.0% surtax
Kentucky	6.000%	
Louisiana	8.000%	
Maine	*	No Class I mileage
Maryland	8.250%	
Massachusetts	8.000%	
Michigan	6.000%	
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	6.600%	***Lower for 2016
New York	0.000%	Reported in operating expense, rate changed to zero.
North Carolina	4.000%	***Lower for 2016
North Dakota	4.310%	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%	
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 0.75%
Utah	5.000%	
Vermont	*	No Class I mileage
Virginia	6.000%	
Washington	0.000%	None.
West Virginia	6.500%	
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, and have been verified with state tax forms. Adjustments to the Tax Foundation's list of rates have been made by the AAR when necessary. See Appendix B. "*****" in comments notes that tax rate is changed from prior year.

Results of Calculations for 2016

Average State Corporate Income Tax Rate

Railroad	2016	2015	Difference
BNSF	5.288 %	5.271 %	0.017 % Pts.
CSX	5.160	5.247	-0.087
CNGT	7.761	7.767	-0.006
KCS	5.447	5.430	0.017
NS	5.410	5.501	-0.091
SOO	8.071	8.083	-0.012
UP	5.636	5.655	-0.019

State Corporate Income Tax Rates
from the Tax Foundation
as of January 1, 2016

State	Rates	Brackets
Ala.	6.50%	> \$0
Alaska	0.00%	> \$0
	2.00%	> \$25,000
	3.00%	> \$49,000
	4.00%	> \$74,000
	5.00%	> \$99,000
	6.00%	> \$124,000
	7.00%	> \$148,000
	8.00%	> \$173,000
	9.00%	> \$198,000
	9.40%	> \$222,000
Ariz.	5.50%	> \$0
Ark. (a)	1.00%	> \$0
	2.00%	> \$3,000
	3.00%	> \$6,000
	5.00%	> \$11,000
	6.00%	> \$25,000
	6.50%	> \$100,000
Calif.	8.84%	> \$0
Colo.	4.63%	> \$0
Conn. (b)	9.00%	> \$0
Del. (c)	8.70%	> \$0
Fla.	5.50%	> \$0
Ga.	6.00%	> \$0
Hawaii	4.40%	> \$0
	5.40%	> \$25,000
	6.40%	> \$100,000
Idaho	7.40%	> \$0
Ill. (d)	7.75%	> \$0
Ind. (e)	6.50%	> \$0
Iowa	6.00%	> \$0
	8.00%	> \$25,000
	10.00%	> \$100,000
	12.00%	> \$250,000
Kans.	4.00%	> \$0
	7.00%	> \$50,000
Ky.	4.00%	> \$0
	5.00%	> \$50,000
	6.00%	> \$100,000
La.	4.00%	> \$0
	5.00%	> \$25,000
	6.00%	> \$50,000
	7.00%	> \$100,000
	8.00%	> \$200,000
Maine	3.50%	> \$0
	7.93%	> \$25,000
	8.33%	> \$75,000
	8.93%	> \$250,000

**State Corporate Income Tax Rates
from the Tax Foundation
as of January 1, 2016**

Md.	8.25%	>	\$0
Mass.	8.00%	>	\$0
Mich.	6.00%	>	\$0
Minn.	9.80%	>	\$0
Miss.	3.00%	>	\$0
	4.00%	>	\$5,000
	5.00%	>	\$10,000
Mo.	6.25%	>	\$0
Mont.	6.75%	>	\$0
Nebr.	5.58%	>	\$0
	7.81%	>	\$100,000
Nev. (c)	None		
N.H.	8.50%	>	\$0
N.J. (f)	6.50%	>	\$0
	7.50%	>	\$50,000
	9.00%	>	\$100,000
N.M. (g)	4.80%	>	\$0
	6.40%	>	\$500,000
	6.60%	>	\$1,000,000
N.Y.	6.50%	>	\$0
N.C.	4.00%	>	\$0
N.D.	1.41%	>	\$0
	3.55%	>	\$25,000
	4.31%	>	\$50,000
Ohio	(c)		
Okla.	6.00%	>	\$0
Ore.	6.60%	>	\$0
	7.60%	>	\$1,000,000
Pa.	9.99%	>	\$0
R.I.	7.00%	>	\$0
S.C.	5.00%	>	\$0
S.D.	None		
Tenn.	6.50%	>	\$0
Tex.	(c)		
Utah	5.00%	>	\$0
Vt.	6.00%	>	\$0
	7.00%	>	\$10,000
	8.50%	>	\$25,000
Va. (c)	6.00%	>	\$0
Wash.	(c)		
W.Va.	6.50%	>	\$0
Wis.	7.90%	>	\$0
Wyo.	None		
DC	9.40%	>	\$0

**State Corporate Income Tax Rates
from the Tax Foundation
as of January 1, 2016**

- (a) Arkansas assesses a surcharge of 3% of the taxpayer's total liability.
- (b) Rate includes a 20% surtax, which effectively increases the rate from 7.5% to 9%. Surtax is required by businesses with at least \$100 million annual gross income.
- (c) Nevada, Ohio, Texas, and Washington do not have corporate income taxes but do have gross receipts taxes with rates not strictly comparable to corporate income tax rates. Delaware and Virginia have gross receipts taxes in addition to their corporate income taxes.
- (d) Illinois' rate includes two separate corporate income taxes, one at a 5.25% rate and one at a 2.5% rate.
- (e) The tax rate in Indiana will decrease to 6.25% on July 1, 2016.
- (f) Corporations with entire net income greater than \$100,000 pay 9% on all taxable income, corporations with entire net income greater than \$50,000 and less than or equal to \$100,000 pay 7.5% on all taxable income, and corporations with entire net income less than or equal to \$50,000 pay 6.5% on all taxable income.
- (g) In 2017, New Mexico will move to a two-rate structure, 4.8% below \$500,000 and 6.2% over \$500,000.

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 and special rates on financial institutions

Source: Tax Foundation; state tax statutes, forms, and instructions; Commerce Clearinghouse.

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
	Tax Foundation	Railroad	
Arkansas	6.500% (a)	6.500%	Note 1 - Outdated Footnote
Connecticut	9.000%	none	Note 2 - Franchise Fee
District of Columbia	9.400%	9.200%	Note 3 - Differ from Foundation
Indiana	6.500%	6.375%	Note 4 - Mid-year Change
New Jersey	9.000%	none	Note 2 - Franchise Fee
New York	6.500%	none	Note 2 - Franchise Fee
North Dakota	4.310%	7.810%	Note 5 - Water's Edge Surcharge
Texas	blank	Varies	Note 6 - Texas

Note 1 - Outdated Footnote

The Tax Foundation's footnote (a) that mentions a surcharge is out of date. The surcharge is not listed on the instructions for 2016 or elsewhere on the Tax Foundation web site.

Note 2 - 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 2015.

Note 3 - Differ from Tax Foundation

State's web page or tax form differs from the rate listed by the Tax Foundation.

Note 4 - Mid-year Change

The Tax Foundation shows a 6.5 percent Indiana tax rate which is correct for the first half of the year. However, the rate was changed to 6.25 effective July 1 (Foundation has correctly footnoted this.) Railroad rate is 6.5 for first half of year, and 6.25 for the second half -- or 6.375 percent for year.

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 Corporation uses this method, and its North Dakota tax rate has been adjusted to 7.810 percent (4.31 state tax rate + 3.5 surtax).

Note 6 - Texas (see also Appendix F)

For Texas, railroads were taxed using a 0.750 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 since 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 2015

Listed herein are tax rates, as found on page 3 of this year's report, that differ from the prior year (2015). Refer to Appendix D for tax information from the appropriate state.

	State Tax Rate		Comment
	2016	2015	
Arizona	5.500%	6.000%	Lower rate for 2016
District of Columbia	9.200%	9.400%	Lower rate for 2016
Indiana	6.375%	6.750%	Rate lowered effective July 2016
New Mexico	6.600%	6.900%	Lower rate for 2016
North Carolina	4.000%	5.000%	Lower rate for 2016
Texas	See note in Appendix B		Varies each year by railroad

Additional Tax Rate Information from States

State	Item	Number of Pages
Arizona	Corporation Income Tax Return (first page)	1
Arkansas	Corporation Income Tax Instructions (one page)	1
District of Columbia	Corporation Franchise Tax Return	1
Indiana	Corporate Income Tax Booklet (page 9)	1
New Mexico	Instructions for Form CIT-1 (page 9)	1
North Carolina	Corporation Tax Return (page 2)	1
North Dakota	Web page	1
Texas	Tax Report Information and Instructions (page 3)	1

Arizona Form

120**Arizona Corporation Income Tax Return****2016**For the ☐ calendar year 2016 or ☐ fiscal year beginning 12.01.6 and ending 12.0

Business Telephone Number (with area code)	Name	Employer Identification Number (EIN)
Address – number and street or PO Box		
Business Activity Code (from federal Form 1120)	City, Town or Post Office	State ZIP Code

68 Check box if: ☐ This is a first return ☐ Name change ☐ Address change**A** Is FEDERAL return filed on a consolidated basis? ☐ Yes ☐ No

If "Yes", list EIN of common parent from consolidated return

B ARIZONA filing method: See instructions (check only one):**1** ☐ Separate company **2** ☐ Combined (unitary group) **3** ☐ Consolidated**C** If ARIZONA filing method is consolidated, enter the last day of

the tax year Forms 122 were filed to make the election

D If ARIZONA filing method is combined or consolidated, see Form 51instructions. Is Form 51 included? ☐ Yes ☐ No**E ARIZONA apportionment for multistate corporations only** (check one box):☐ AIR CARRIER ☐ STANDARD ☐ ENHANCED**F** ☐ Check if Multistate Service Provider Election and Computation (Arizona Schedule MSP) is included. Indicate the year of the election cycle: ☐ Yr 1 ☐ Yr 2 ☐ Yr 3 ☐ Yr 4 ☐ Yr 5**G** Is this the corporation's final ARIZONA return under this EIN? ☐ Yes ☐ NoIf "Yes", check one: ☐ Dissolved ☐ Withdrawn ☐ Merged/Reorganized

List EIN of the successor corporation, if any

1 Taxable income per federal return**2** Additions to taxable income from page 2, Schedule A, line A8**3** Total taxable income: Add lines 1 and 2**4** Subtractions from taxable income from page 2, Schedule B, line B11**5** Adjusted income: Subtract line 4 from line 3. WHOLLY ARIZONA CORPORATIONS GO TO LINE 13**6** Arizona adjusted income from line 5. MULTISTATE CORPORATIONS ONLY**7** Nonapportionable or allocable amounts from page 2, Schedule C, line C8. Multistate corporations only**8** Adjusted business income: Subtract line 7 from line 6. Multistate corporations only**9** Arizona apportionment ratio from Schedule E or Schedule ACA**10** Adjusted business income apportioned to Arizona: Line 8 multiplied by line 9. Multistate corporations only**11** Other income allocated to Arizona from page 2, Schedule D, line D6. Multistate corporations only**12** Adjusted income attributable to Arizona: Add lines 10 and 11. Multistate corporations only**13** Arizona income before Net Operating Loss (NOL) from line 5 if wholly Arizona, or line 12 if multistate**14** Arizona basis NOL carryover: Include computation schedule**15** Arizona taxable income: Subtract line 14 from line 13**16** Enter tax: Tax is 5.5 percent of line 15 or fifty dollars (\$50), whichever is greater**17** Tax from recapture of tax credits from Arizona Form 300, Part 2, line 31**18** Subtotal: Add lines 16 and 17**19** Nonrefundable tax credits from Arizona Form 300, Part 2, line 56**20** Credit type:Enter form number for each nonrefundable credit used: **20** 13 13 13 13**21** Tax liability: Subtract line 19 from line 18**22** Refundable tax credits: Check box(es) and enter amount: **22** ☐ 308 ☐ 342 ☐ 349**23** Extension payment made with Form 120EXT or online: See instructions**24** Estimated tax payments: **24a** 00 Claim of Right: **24b** 00 Add 24a and 24b**25** Total payments: See instructions**26** Balance of tax due: If line 21 is larger than line 25, enter balance of tax due. Skip line 27**27** Overpayment of tax: If line 25 is larger than line 21, enter overpayment of tax**28** Penalty and interest**29** Estimated tax underpayment penalty. If Form 220 is included, check this box **29A** ☐**30** **TOTAL DUE:** See instructions**31** **OVERPAYMENT:** See instructions**32** Amount of line 31 to be applied to 2017 estimated tax**33** Amount to be refunded: Subtract line 32 from line 31

Check box if return filed under FEDERAL extension:

82 **82F** ☐ Do not check if using Arizona Extension

REVENUE USE ONLY. DO NOT MARK IN THIS AREA.

88**81** PM**66** RCVD

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TAX TABLE CONTINUED

IF YOUR INCOME IS			IF YOUR INCOME IS			IF YOUR INCOME IS		
AS MUCH AS	BUT LESS THAN	YOUR TAX IS	AS MUCH AS	BUT LESS THAN	YOUR TAX IS	AS MUCH AS	BUT LESS THAN	YOUR TAX IS
15,000	15,100	443	18,500	18,600	618	22,000	22,100	793
15,100	15,200	448	18,600	18,700	623	22,100	22,200	798
15,200	15,300	453	18,700	18,800	628	22,200	22,300	803
15,300	15,400	458	18,800	18,900	633	22,300	22,400	808
15,400	15,500	463	18,900	19,000	638	22,400	22,500	813
15,500	15,600	468	19,000	19,100	643	22,500	22,600	818
15,600	15,700	473	19,100	19,200	648	22,600	22,700	823
15,700	15,800	478	19,200	19,300	653	22,700	22,800	828
15,800	15,900	483	19,300	19,400	658	22,800	22,900	833
15,900	16,000	488	19,400	19,500	663	22,900	23,000	838
16,000	16,100	493	19,500	19,600	668	23,000	23,100	843
16,100	16,200	498	19,600	19,700	673	23,100	23,200	848
16,200	16,300	503	19,700	19,800	678	23,200	23,300	853
16,300	16,400	508	19,800	19,900	683	23,300	23,400	858
16,400	16,500	513	19,900	20,000	688	23,400	23,500	863
16,500	16,600	518	20,000	20,100	693	23,500	23,600	868
16,600	16,700	523	20,100	20,200	698	23,600	23,700	873
16,700	16,800	528	20,200	20,300	703	23,700	23,800	878
16,800	16,900	533	20,300	20,400	708	23,800	23,900	883
16,900	17,000	538	20,400	20,500	713	23,900	24,000	888
17,000	17,100	543	20,500	20,600	718	24,000	24,100	893
17,100	17,200	548	20,600	20,700	723	24,100	24,200	898
17,200	17,300	553	20,700	20,800	728	24,200	24,300	903
17,300	17,400	558	20,800	20,900	733	24,300	24,400	908
17,400	17,500	563	20,900	21,000	738	24,400	24,500	913
17,500	17,600	568	21,000	21,100	743	24,500	24,600	918
17,600	17,700	573	21,100	21,200	748	24,600	24,700	923
17,700	17,800	578	21,200	21,300	753	24,700	24,800	928
17,800	17,900	583	21,300	21,400	758	24,800	24,900	933
17,900	18,000	588	21,400	21,500	763	24,900	25,000	938
18,000	18,100	593	21,500	21,600	768	(1) For Net Income \$25,000 through \$100,000, the tax is \$940 plus 6% of the excess over \$25,000. (2) For Net Income over \$100,000, the tax is \$5,440 plus 6.5% of the excess over \$100,000.		
18,100	18,200	598	21,600	21,700	773			
18,200	18,300	603	21,700	21,800	778			
18,300	18,400	608	21,800	21,900	783			
18,400	18,500	613	21,900	22,000	788			



Taxpayer Name: _____

Federal Employer I.D. Number: _____

		ENTER DOLLAR AMOUNTS ONLY									
DEDUCTIONS	23 Pension, profit-sharing plans	Fill in if minus: ☐	23	\$							00
	24 Other deductions (attach statement)		24	\$							00
	25 Total deductions. Add Lines 11-24.		25	\$							00
	26 Net income Line 10 minus Line 25.	Fill in if minus: ☐	26	\$							00
	27 Net operating loss deduction for years before 2000		27	\$							00
TAXABLE INCOME	28 Net income after net operating loss deduction Line 26 minus Line 27	Fill in if minus: ☐	28	\$							00
	29 (a) Non-business income/state adjustment (attach statement)	Fill in if minus: ☐	29a	\$							00
	(b) Expense related to non-business income (attach statement)		29b	\$							00
	(c) 29(a) minus 29(b)	Fill in if minus: ☐	29c	\$							00
	30 Net income subject to apportionment Line 28 minus Line 29(c)	Fill in if minus: ☐	30	\$							00
	31 DC apportionment factor from Form D-20, Schedule F, col. 3, Line 5		31								
	32 Net income from trade or business apportioned to DC Line 30 amount multiplied by Line 31 factor.	Fill in if minus: ☐	32	\$							00
	33 Other income/deductions attributable to DC (attach statement - see instructions)	Fill in if minus: ☐	33	\$							00
	34 Total taxable income before apportioned NOL deduction Line 32 plus or minus Line 33.	Fill in if minus: ☐	34	\$							00
	35 Apportioned NOL deduction (Losses occurring in year 2000 and later)		35	\$							00
	36 Total DC taxable income. Line 34 minus Line 35.	Fill in if minus: ☐	36	\$							00
	37 Tax 9.2% of Line 36		37	\$							00
	TAX PAYMENTS AND CREDITS	38 Minus nonrefundable credits from Schedule UB, Line 9		38	\$						
39 Total DC gross receipts from Line '4' MTLGR Worksheet		\$									00
40 Net tax. Line 37 minus Line 38. The minimum tax is \$250 if DC gross receipts are \$1M or less or \$1,000 if DC gross receipts are greater than \$1M.			40	\$							00
41 Payments and refundable credits:			41a	\$							00
(a) Tax paid, if any, with request for an extension of time to file or paid with original return if this is an amended return			41b	\$							00
(b) 2016 estimated franchise tax payments			41c	\$							00
(c) Refundable credits from Schedule UB, Line 12			42	\$							00
42 Add lines 41(a), 41(b) and 41(c).			42	\$							00
43 RESERVED			43								
44 Estimated tax interest (Fill in oval if D-2220 attached)		☐	44	\$							00
45 Total Amount Due. If Line 42 is smaller than the total of Lines 40 and 44, enter amount due. Will this payment come from an account outside of the U.S.? ☐ Yes ☐ No See instructions.			45	\$							00
46 Overpayment. If Line 42 is larger than the total of Lines 40 and 44, enter amount overpaid.			46	\$							00
47 Amount you want to apply to your 2017 estimated franchise tax.		47	\$							00	
48 Amount to be refunded. Line 46 minus Line 47.		48	\$							00	

Third party designee To authorize another person to discuss this return with OTR, fill in here ☐ and enter the name and phone number of that person. See instructions.

Designee's name _____ Phone number _____

PLEASE SIGN HERE	Under penalties of law, I declare that I have examined this return and, to the best of my knowledge, it is correct. Declaration of paid preparer is based on the information available to the preparer.			
	Officer's signature	Title	Date	Telephone number of person to contact
PAID PREPARER ONLY	Preparer's signature (if other than taxpayer)		Date	Firm name
	Preparer's PTIN			Firm address

If you want to allow the preparer to discuss this return with the Office of Tax and Revenue fill in the oval. ☐

Note A: A limited liability company (LLC) may be classified for federal income tax purposes as a partnership, a corporation, or an entity disregarded as an entity separate from its owner by applying the rules in federal regulation section 26 CFR 301.7701-3. An LLC has members rather than shareholders. If an entity with more than one member was formed as an LLC, it generally is treated as a partnership for federal income tax purposes. It therefore files Federal Form 1065 and Indiana Form IT-65.

A single-member LLC can elect to report its income and deductions as a corporate entity instead. The LLC can file a Form 1120 or Form 1120-A only if it has filed federal Form 8832, Entity Classification Election, to be treated as a corporation.

A multi-member LLC can elect to file as a corporation; if this election is made for federal tax purposes, the LLC will file Form 1120 and Indiana's return, Form IT-20.

An LLC can be formed under state law by filing Articles of Organization with the Secretary of State. An LLC based outside of Indiana must file an Application for Certificate of Authority of a Foreign Limited Liability Company to do business in Indiana, similar to what foreign corporations file. If the LLC qualifies under IRS guidelines to be treated as an association taxable as a corporation, it must file Form IT-20.

Note B: A limited liability partnership (LLP) can be classified for federal income tax purposes as a partnership, a corporation, or an entity disregarded as an entity separate from its owner by applying the rules in federal regulation section 26 CFR 301.7701-3. The income of an LLP is taxed in the same way as a general partnership's income is taxed.

An LLP can be formed under state law by filing Articles of Registration of a Limited Liability Partnership with the Secretary of State. An LLP based outside of Indiana must file a Certificate of Authority or Notice of Foreign Limited Liability Partnership to do business in Indiana, similar to what foreign corporations file.

Note C: A limited partnership (LP) must have at least 1 general partner and 1 limited partner. The income is generally taxed in the same manner as a general partnership's income. An LP can be classified for federal income tax purposes as a partnership, a corporation, or an entity disregarded as an entity separate from its owner by applying the rules in federal regulation section 26 CFR 301.7701-3. The LP can be formed under state law by filing a Certificate of Limited Partnership with the Secretary of State. An LP based outside of Indiana must file a Certificate of Authority or Application of Registration to do business in Indiana, similar to what foreign corporations file.

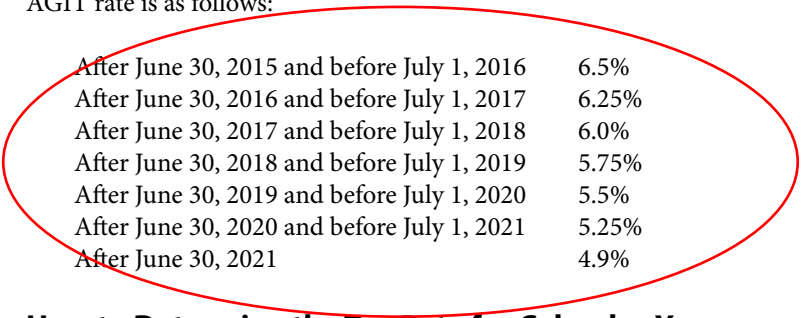
General Filing Requirements for Form IT-20

What to Enclose with a State Corporate Return

To complete a state income tax return, enclose copies of pages 1 through 5 of the completed U.S. Corporation Income Tax Return (Form 1120) or the comparable federal return being filed. The federal Schedule M-3 and any confirmation of an extension of time to file the return must also be included.

Adjusted Gross Income Tax

The Indiana AGIT is generally calculated using federal taxable income from federal Form 1120 or a comparable return and making Indiana modifications as required by IC 6-3-1-3.5(b). If there is income from sources both within and outside Indiana, use the apportionment and allocation formula on Form IT-20 Schedule E to determine the AGI that's attributed to Indiana. The AGIT rate is as follows:



After June 30, 2015 and before July 1, 2016	6.5%
After June 30, 2016 and before July 1, 2017	6.25%
After June 30, 2017 and before July 1, 2018	6.0%
After June 30, 2018 and before July 1, 2019	5.75%
After June 30, 2019 and before July 1, 2020	5.5%
After June 30, 2020 and before July 1, 2021	5.25%
After June 30, 2021	4.9%

How to Determine the Tax Rate for Calendar-Year Filers and Fiscal-Year Filers With Tax Year Endings Other Than June 30

Pursuant to IC 6-3-2-1(c), the following steps must be used to determine the tax rate if a taxpayer is subject to different tax rates for a taxable period:

1. Multiply the rate in effect before the rate change by the number of months in the taxpayer's taxable year that precede the month the rate changed.
2. Multiply the rate in effect after the rate change by the number of months in the taxpayer's taxable year that follow the month before the rate changed.
3. Add the amounts in Step 1 and Step 2, and then divide the sum by 12.
4. Round the rate determined in Step 3 to the nearest 0.01%.

How to Determine the Tax Rate for Short Periods and 52/53-Week Filers

For taxpayers who file on a short period or 52/53-week period basis, for whom the steps outlined previously are not appropriate, the following steps should be used to determine the tax rate if a taxpayer is subject to different tax rates for a taxable period:

1. Multiply the tax rate in effect on June 30 of the taxable period by the number of days in the taxpayer's taxable period that occurred before July 1 of the taxable year.

NOTE: Income from Fannie Mae, Ginnie Mae, Freddie Mac and other U.S. guarantee entities is not deductible. Income from repurchase agreements of U.S. obligations (REPOs) is not deductible. Interest on notes issued by the Federal Home Loan Bank obligations is deductible, but not dividends issued by the Federal Home Loan Bank. That portion of income paid by mutual funds, unit investment trusts and a simple trust that is derived from investments in U.S. obligations may be deducted.

Line 10.**CORPORATE INCOME TAX RATES**

For tax years beginning 1/1/2016, but prior to 1/1/2017.

<u>Net Taxable Income</u>	<u>Tax</u>
Not over \$500,000	4.8% of net taxable income
Over \$500,000 but not over \$1,000,000	\$24,000 plus 6.4% of the excess over \$500,000
Over \$1,000,000	\$56,000 plus 6.6% of the excess over \$1,000,000

page of the CIT-1 return, Question L. You must also complete and attach Schedule CIT-A.

Line 1a. Federal net operating loss incurred. If the taxable income on your federal Form 1120 is zero or less, enter any federal net operating loss incurred for the tax year. See the instructions for the federal return to determine the amount of the federal net operating loss incurred. The amount to be entered must not be negative.

Line 2. Interest income from municipal bonds. Enter interest income from non-New Mexico municipal bonds and other obligations not subject to federal income tax under IRC Section 103.

Line 5. New Mexico NOL carryover. Enter the New Mexico net operating loss (NOL) carryover that may be applied to the liability on your CIT return. Attach Form RPD-41379, *New Mexico Net Operating Loss Carryforward Schedule for Corporate Income Tax*, to your return showing the tax year when each New Mexico net operating loss occurred. The schedule also should list each loss for each tax year for which it was carried forward, including 2016.

All New Mexico net operating losses must flow from a federal net operating loss. You cannot have a New Mexico NOL without first having a federal NOL. The New Mexico NOL can be increased by the income, if any, from U.S. government obligations less related expenses. See Form RPD-41379 to compute the New Mexico NOL incurred and applied.

Unlike a federal net operating loss carryforward, a New Mexico net operating loss incurred cannot be carried back and if incurred on or after January 1, 2013, may be carried forward for 19 years or until the total amount of the loss carryover has been used, whichever occurs first. For a net operating loss that was incurred in tax years beginning before January 1, 2013, a New Mexico net operating loss may be carried forward for only five years. Refer to Regulation 3.4.1.9(E) NMAC, if the net operating loss was incurred in a tax year beginning prior to January 1, 1991.

You cannot apply a New Mexico net operating loss carryforward until the following tax year -- provided you have filed a timely return -- or until the first tax year that begins after the date you file a return establishing the loss.

The New Mexico NOL carryover deduction is limited to the sum of:

(a) The amount of any federal NOL carryover claimed and allowed for losses incurred in tax years beginning prior to January 1, 1991, and

(b) The amount of any NOL (as defined by Section 172(c) of the Internal Revenue Code) incurred in tax years beginning on or after January 1, 1991.

Line 6. Interest from U.S. government obligations or federally taxed New Mexico bonds. Interest or dividend income from U.S. government obligations is deductible from the corporation's taxable income only if, and to the extent that, it was included in taxable income on line 1 of the CIT-1 return. Expenses related to income from U.S. obligations must be subtracted and the net amount entered.

Interest income from bonds issued by the state of New Mexico or its political subdivisions may also be deducted on this line to the extent that the income was included in federal taxable income (CIT-1, line 1).

Line 8. Deduction for foreign dividends. Enter the total New Mexico foreign dividend deduction from line 5 of Schedule CIT-D. You must also attached Schedule CIT-D

Line 12. New Mexico Income Tax. Multiply line 10 by the percentage on line 11. However, if you qualify to file Schedule CC, because you have no business activity in New Mexico other than sales, you do not own or rent real estate in New Mexico, and you have annual gross income from sales in or into New Mexico of \$100,000 or less, then enter only the amount from line 3 of Schedule CC.

Line 13. Total tax credits applied against the income tax liability on line 12. If you may claim any of the tax credits listed below, complete Schedule CIT-CR and attach the applicable form(s), statements or other required back-up. Enter the sum of the credits claimed and applied against tax due from Schedule CIT-CR, line A. The supporting documentation required to claim any of the tax credits is described in the section "Schedule CIT-CR Line Instructions" beginning on page 17 of these instructions. The required documentation must accompany the return, or the claim for the credit will not be allowed.

To calculate the amount that may be claimed for any tax year, refer to the claim form or supporting instructions

B	Computation of Corporate Income Tax	22. State Net Loss (Attach schedule)		22.	.00
		23. Income Before Contributions to N.C. Donees Line 20 minus Lines 21 and 22		23. ☐	.00
		24. Contributions to N.C. Donees (From Schedule I, Line 2e)		24.	.00
		25. Net Taxable Income Line 23 minus Line 24		25. ☐	.00
		26. N.C. Net Income Tax Multiply Line 25 by 4.0%		26.	.00
		27. Annual Report Fee (Include \$25.00 only if Form CD-479 is attached in paper form; otherwise, enter zero.)		27.	.00
		28. Add Lines 26 and 27		28.	.00
		29. Payments and Credits <i>When filing an amended return, see instructions</i>			
		a. Income Tax Extension (From Form CD-419, Line 10)		29a.	.00
		b. 2016 Estimated Tax		29b.	.00
		c. Partnership (If a partnership payment is taken on Line 29c, a copy of Form D-403 NC K-1 MUST be attached.)		29c.	.00
		d. Nonresident Withholding (Include copy of 1099 or W-2)		29d.	.00
e. Tax Credits (From Form CD-425, Part 4, Line 30) If a tax credit is taken on Line 29e, Form CD-425 MUST be attached.		29e.	.00		
30. Add Lines 29a through 29e		30.	.00		
31. Income Tax Due - If Line 30 is less than Line 28, enter difference here and on Line 34, below		31. \$	.00		
32. Income Tax Overpaid - If Line 30 is more than Line 28, enter difference here and on Line 34, below		32.	.00		

Tax Due or Refund	33. Franchise Tax Due or Overpayment (From Schedule A, Line 8 or 9)		33. ☐	.00
	34. Income Tax Due or Overpayment (From Schedule B, Line 31 or 32)		34. ☐	.00
	35. Balance of Tax Due or Overpayment Add (or subtract) Lines 33 and 34		35. ☐	.00
	36. Underpayment of Estimated Income Tax (Enter letter in exceptions box, if applicable. See instructions.)		36.	.00
	37. a. Interest b. Penalties			
	▶ _____ .00 ▶ _____ .00		37c.	.00
	38. Total Due - Add Lines 35, 36, and 37c and enter result here, but not less than zero. If less than zero, enter amount on Line 39. Pay your tax online. See instructions.	Pay in U.S. Currency From a Domestic Bank	38.	.00
	39. Overpayment		39.	.00
	40. Amount of Line 39 applied to 2017 Estimated Income Tax		40.	.00
	41. Amount of Line 39 contributed to N.C. Nongame and Endangered Wildlife Fund		41.	.00
42. Amount of Line 39 contributed to N.C. Education Endowment Fund		42.	.00	
43. Amount to be Refunded Line 39 minus Lines 40, 41, and 42		43.	.00	

Signature and
Title of Officer: _____

Date: _____

Corporate
Telephone
Number: _____

(Important: Include Area Code)

I certify that, to the best of my knowledge, this return is accurate and complete.

Signature of
Paid Preparer: _____Preparer's ☐ FEIN ☐ SSN ☐ PTIN: _____

(Fill in applicable circle)

I certify that, to the best of my knowledge, this return is accurate and complete.

Corporate Income Tax

Every corporation engaged in business in North Dakota or having sources of income in North Dakota must file a North Dakota corporation income tax return. The return is due on the 15th day of the fourth month following the close of the tax year. Returns of tax-exempt organizations reporting unrelated business taxable income are due on the 15th day of the fifth month after the close of the tax year. Returns filed by cooperatives are due on the 15th day of the ninth month following the close of the tax year.

2016 Tax Rates - Following are the corporation income tax rates for the 2016 tax year, as enacted by the 2015 North Dakota Legislature:

If North Dakota taxable income is:

Over	But not over	The tax is
\$0	\$25,000	1.41% of North Dakota taxable income
\$25,000	\$50,000	\$352.50 Plus 3.55% of over \$25,000
\$50,000	--	\$1,240.00 Plus 4.31% of amount over \$50,000

[/www.nd.gov/tax/user/businesses/formspublications/corporate-income-tax](http://www.nd.gov/tax/user/businesses/formspublications/corporate-income-tax)[4/26/2017 8:17:08 AM]

Corporate Income Tax | North Dakota Office of State Tax Commissioner

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.

Prior Year Tax Rates: For the tax rates that apply to corporations for tax years prior to 2016, see [Corporation Income Tax Rates](#).

A taxable entity that is verified as a new veteran-owned business must file a No Tax Due Report (Form 05-163) for each reporting period the franchise tax is not imposed on the taxable entity. However, the new veteran-owned business is not required to file a Public or Ownership Information Report.

A new veteran-owned business cannot file as a member of a combined group or as part of a tiered partnership.

The Comptroller's office must be notified if the ownership of the new veteran-owned business changes at any point during the initial five-year period. If during the initial five-year period a new veteran-owned business no longer meets the above criteria, it will become subject to the franchise tax.

For the verification process and additional information please visit the Comptroller's website at www.comptroller.texas.gov/taxes/franchise/veteran-business.php

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 the 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
- Total Revenue minus \$1 million

Note: Not all entities will qualify to use COGS to compute margin. See instructions for Item 11. Cost of goods sold (COGS) on page 16 for more information.

Tax Rates

The franchise tax rates for reports originally due on or after Jan. 1, 2016:

- 0.75% (0.0075) for most entities
- 0.375% (0.00375) for qualifying wholesalers and retailers
- 0.331% (0.00331) for those entities with \$20 million or less in annualized total revenue using the EZ computation

Qualifying retailers and wholesalers are entities that are primarily engaged in retail and/or wholesale trade. Retail trade means the activities described in Division G of the 1987 Standard Industrial Classification (SIC) manual; apparel rental activities classified in Industry 5999 or 7299 of the SIC manual; activities classified as SIC Industry Group 753 (Automotive Repair Shops); activities involving the rental or leasing of tools, party and event supplies, and furniture under SIC Code 7359; heavy construction equipment rental or leasing activities under SIC Code 7353; and rental-purchase agreement activities regulated by Chapter 92, Business & Commerce Code. Wholesale trade means the activities described in Division F of the 1987 SIC manual. (The 1987 SIC manual is available online at www.osha.gov/pls/imis/sicsearch.html.)

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 \$1,110,000 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.

Example: A taxable entity's 2017 franchise tax report is based on the period 09-15-2016 through 12-31-2016 (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 \$1,110,000 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.

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)
2016	BNSF	210	13	\$19,661,763
2016	CNGT	210	13	2,986,580
2016	CSX	210	13	10,770,610
2016	KCS	210	13	1,200,135
2016	NS	210	13	9,888,266
2016	SOO	210	13	1,314,277
2016	UP	210	13	19,940,431
Total				\$65,762,062

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

Year	RR	Sched	Line	Column (b)
2016	BNSF	210	46	\$6,777,539
2016	CNGT	210	46	519,254
2016	CSX	210	46	2,849,437
2016	KCS	210	46	248,790
2016	NS	210	46	2,684,667
2016	SOO	210	46	335,736
2016	UP	210	46	7,614,720
Total				\$21,030,143

BNSF Tax Rate Calculation for Texas for 2016

Corporate Activities Tax

Miles in Texas = 4980 (info only)

Operating Revenue	\$19,661,763	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$6,777,539	from R-1 Schedule 210 Line 46
Taxable Receipts	13,763,234	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	103,224	Tax Rate x Taxable Receipts
Effective Tax Rate	1.523%	State Taxes divided by Net Income Before Tax

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 2016

Corporate Activities Tax

Miles in Texas = 0 (info only)

Operating Revenue	\$2,986,580	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$519,254	from R-1 Schedule 210 Line 46
Taxable Receipts	2,090,606	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	15,680	Tax Rate x Taxable Receipts
Effective Tax Rate	3.020%	State Taxes divided by Net Income Before Tax

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 2016

Corporate Activities Tax

Miles in Texas = 0 (info only)

Operating Revenue	\$10,770,610	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$2,849,437	from R-1 Schedule 210 Line 46
Taxable Receipts	7,539,427	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	56,546	Tax Rate x Taxable Receipts
Effective Tax Rate	1.984%	State Taxes divided by Net Income Before Tax

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 2016

Corporate Activities Tax

Miles in Texas = 928 (info only)

Operating Revenue	\$1,200,135	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$248,790	from R-1 Schedule 210 Line 46
Taxable Receipts	840,095	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	6,301	Tax Rate x Taxable Receipts
Effective Tax Rate	2.533%	State Taxes divided by Net Income Before Tax

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 2016

Corporate Activities Tax

Miles in Texas = 0 (info only)

Operating Revenue	\$9,888,266	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$2,684,667	from R-1 Schedule 210 Line 46
Taxable Receipts	6,921,786	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	51,913	Tax Rate x Taxable Receipts
Effective Tax Rate	1.934%	State Taxes divided by Net Income Before Tax

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 2016

Corporate Activities Tax

Miles in Texas = 0 (info only)

Operating Revenue	\$1,314,277	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$335,736	from R-1 Schedule 210 Line 46
Taxable Receipts	919,994	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	6,900	Tax Rate x Taxable Receipts
Effective Tax Rate	2.055%	State Taxes divided by Net Income Before Tax

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 2016

Corporate Activities Tax

Miles in Texas = 6307 (info only)

Operating Revenue	\$19,940,431	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$7,614,720	from R-1 Schedule 210 Line 46
Taxable Receipts	13,958,302	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	104,687	Tax Rate x Taxable Receipts
Effective Tax Rate	1.375%	State Taxes divided by Net Income Before Tax

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 2016

State	Income			
	Miles BNSF	Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	231	6.500%	0.71603%	0.04654%
Arizona	659	5.500%	2.04271%	0.11235%
Arkansas	1,030	6.500%	3.19271%	0.20753%
California	2,168	8.840%	6.72019%	0.59406%
Colorado	1,341	4.630%	4.15672%	0.19246%
Connecticut	0	0.000%	0.00000%	0.00000%
Delaware	0	8.700%	0.00000%	0.00000%
Dist. of Columbia	0	9.200%	0.00000%	0.00000%
Florida	0	5.500%	0.00000%	0.00000%
Georgia	0	6.000%	0.00000%	0.00000%
Idaho	106	7.400%	0.32857%	0.02431%
Illinois	1,544	7.750%	4.78596%	0.37091%
Indiana	0	6.375%	0.00000%	0.00000%
Iowa	662	12.000%	2.05201%	0.24624%
Kansas	1,587	7.000%	4.91925%	0.34435%
Kentucky	98	6.000%	0.30377%	0.01823%
Louisiana	362	8.000%	1.12210%	0.08977%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	0	8.250%	0.00000%	0.00000%
Massachusetts	0	8.000%	0.00000%	0.00000%
Michigan	0	6.000%	0.00000%	0.00000%
Minnesota	1,701	9.800%	5.27262%	0.51672%
Mississippi	179	5.000%	0.55485%	0.02774%
Missouri	1,614	6.250%	5.00294%	0.31268%
Montana	2,648	6.750%	8.20805%	0.55404%
Nebraska	1,478	7.810%	4.58138%	0.35781%
Nevada	798	0.000%	2.47357%	0.00000%
New Hampshire	0	0.000% *	0.00000%	0.00000%
New Jersey	0	0.000%	0.00000%	0.00000%
New Mexico	1,598	6.600%	4.95335%	0.32692%
New York	0	0.000%	0.00000%	0.00000%
North Carolina	0	4.000%	0.00000%	0.00000%
North Dakota	1,633	4.310%	5.06184%	0.21817%
Ohio	0	0.000%	0.00000%	0.00000%
Oklahoma	1,287	6.000%	3.98934%	0.23936%
Oregon	408	7.600%	1.26468%	0.09612%
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	905	0.000%	2.80524%	0.00000%
Tennessee	137	6.500%	0.42466%	0.02760%
Texas	4,980	1.523%	15.43660%	0.23510%
Utah	437	5.000%	1.35458%	0.06773%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	0	6.000%	0.00000%	0.00000%
Washington	1,455	0.000%	4.51009%	0.00000%
West Virginia	0	6.500%	0.00000%	0.00000%
Wisconsin	250	7.900%	0.77493%	0.06122%
Wyoming	965	0.000%	2.99123%	0.00000%
Total U.S.	32,261		100.00000%	5.28796%

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 2016

State	Income			
	Miles CNGT	Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	26	6.500%	0.43712%	0.02841%
Arizona	0	5.500%	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	9.200%	0.00000%	0.00000%
Florida	0	5.500%	0.00000%	0.00000%
Georgia	0	6.000%	0.00000%	0.00000%
Idaho	0	7.400%	0.00000%	0.00000%
Illinois	1,279	7.750%	21.50303%	1.66648%
Indiana	103	6.375%	1.73167%	0.11039%
Iowa	574	12.000%	9.65030%	1.15804%
Kansas	0	7.000%	0.00000%	0.00000%
Kentucky	98	6.000%	1.64761%	0.09886%
Louisiana	239	8.000%	4.01816%	0.32145%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	0	8.250%	0.00000%	0.00000%
Massachusetts	0	8.000%	0.00000%	0.00000%
Michigan	923	6.000%	15.51782%	0.93107%
Minnesota	378	9.800%	6.35508%	0.62280%
Mississippi	575	5.000%	9.66711%	0.48336%
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	6.600%	0.00000%	0.00000%
New York	0	0.000%	0.00000%	0.00000%
North Carolina	0	4.000%	0.00000%	0.00000%
North Dakota	0	4.310%	0.00000%	0.00000%
Ohio	4	0.000%	0.06725%	0.00000%
Oklahoma	0	6.000%	0.00000%	0.00000%
Oregon	0	7.600%	0.00000%	0.00000%
Pennsylvania	156	9.990%	2.62273%	0.26201%
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%	2.70679%	0.17594%
Texas	0	3.020%	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	6.500%	0.00000%	0.00000%
Wisconsin	1,432	7.900%	24.07532%	1.90195%
Wyoming	0	0.000%	0.00000%	0.00000%
Total U.S.	5,948		100.00000%	7.76076%

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

No rounding until final number.

CSX Average State Tax Rate for 2016

State	Income			
	Miles CSX	Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	1,011	6.500%	4.85847%	0.31580%
Arizona	0	5.500%	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%	0.32678%	0.00000%
Delaware	44	8.700%	0.21145%	0.01840%
Dist. of Columbia	20	9.200%	0.09611%	0.00884%
Florida	1,658	5.500%	7.96771%	0.43822%
Georgia	1,614	6.000%	7.75626%	0.46538%
Idaho	0	7.400%	0.00000%	0.00000%
Illinois	873	7.750%	4.19530%	0.32514%
Indiana	1,544	6.375%	7.41987%	0.47302%
Iowa	0	12.000%	0.00000%	0.00000%
Kansas	0	7.000%	0.00000%	0.00000%
Kentucky	1,671	6.000%	8.03018%	0.48181%
Louisiana	43	8.000%	0.20664%	0.01653%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	535	8.250%	2.57100%	0.21211%
Massachusetts	400	8.000%	1.92225%	0.15378%
Michigan	558	6.000%	2.68153%	0.16089%
Minnesota	0	9.800%	0.00000%	0.00000%
Mississippi	94	5.000%	0.45173%	0.02259%
Missouri	11	6.250%	0.05286%	0.00330%
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	646	0.000%	3.10443%	0.00000%
New Mexico	0	6.600%	0.00000%	0.00000%
New York	1,295	0.000%	6.22327%	0.00000%
North Carolina	1,125	4.000%	5.40631%	0.21625%
North Dakota	0	4.310%	0.00000%	0.00000%
Ohio	1,872	0.000%	8.99611%	0.00000%
Oklahoma	0	6.000%	0.00000%	0.00000%
Oregon	0	7.600%	0.00000%	0.00000%
Pennsylvania	1,063	9.990%	5.10837%	0.51033%
Rhode Island	0	0.000% *	0.00000%	0.00000%
South Carolina	1,308	5.000%	6.28574%	0.31429%
South Dakota	0	0.000%	0.00000%	0.00000%
Tennessee	988	6.500%	4.74795%	0.30862%
Texas	0	1.984%	0.00000%	0.00000%
Utah	0	5.000%	0.00000%	0.00000%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	1,051	6.000%	5.05070%	0.30304%
Washington	0	0.000%	0.00000%	0.00000%
West Virginia	1,317	6.500%	6.32899%	0.41138%
Wisconsin	0	7.900%	0.00000%	0.00000%
Wyoming	0	0.000%	0.00000%	0.00000%
Total U.S.	20,809		100.00000%	5.15971%

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

No rounding until final number.

KCS Average State Tax Rate for 2016

State	Income			
	Miles KCS	Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	44	6.500%	1.29717%	0.08432%
Arizona	0	5.500%	0.00000%	0.00000%
Arkansas	163	6.500%	4.80542%	0.31235%
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	9.200%	0.00000%	0.00000%
Florida	0	5.500%	0.00000%	0.00000%
Georgia	0	6.000%	0.00000%	0.00000%
Idaho	0	7.400%	0.00000%	0.00000%
Illinois	199	7.750%	5.86675%	0.45467%
Indiana	0	6.375%	0.00000%	0.00000%
Iowa	0	12.000%	0.00000%	0.00000%
Kansas	18	7.000%	0.53066%	0.03715%
Kentucky	0	6.000%	0.00000%	0.00000%
Louisiana	744	8.000%	21.93396%	1.75472%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	0	8.250%	0.00000%	0.00000%
Massachusetts	0	8.000%	0.00000%	0.00000%
Michigan	0	6.000%	0.00000%	0.00000%
Minnesota	0	9.800%	0.00000%	0.00000%
Mississippi	723	5.000%	21.31486%	1.06574%
Missouri	417	6.250%	12.29363%	0.76835%
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	6.600%	0.00000%	0.00000%
New York	0	0.000%	0.00000%	0.00000%
North Carolina	0	4.000%	0.00000%	0.00000%
North Dakota	0	4.310%	0.00000%	0.00000%
Ohio	0	0.000%	0.00000%	0.00000%
Oklahoma	151	6.000%	4.45165%	0.26710%
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%	0.14741%	0.00958%
Texas	928	2.533%	27.35849%	0.69286%
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	6.500%	0.00000%	0.00000%
Wisconsin	0	7.900%	0.00000%	0.00000%
Wyoming	0	0.000%	0.00000%	0.00000%
Total U.S.	3,392		100.00000%	5.44684%

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

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

No rounding until final number.

NS Average State Tax Rate for 2016

State	Income			
	Miles NS	Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	1,304	6.500%	6.69852%	0.43540%
Arizona	0	5.500%	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	78	8.700%	0.40068%	0.03486%
Dist. of Columbia	13	9.200%	0.06678%	0.00614%
Florida	148	5.500%	0.76026%	0.04181%
Georgia	1,705	6.000%	8.75841%	0.52550%
Idaho	0	7.400%	0.00000%	0.00000%
Illinois	1,256	7.750%	6.45194%	0.50003%
Indiana	1,441	6.375%	7.40227%	0.47189%
Iowa	43	12.000%	0.22089%	0.02651%
Kansas	2	7.000%	0.01027%	0.00072%
Kentucky	429	6.000%	2.20373%	0.13222%
Louisiana	76	8.000%	0.39040%	0.03123%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	233	8.250%	1.19690%	0.09874%
Massachusetts	0	8.000%	0.00000%	0.00000%
Michigan	487	6.000%	2.50167%	0.15010%
Minnesota	0	9.800%	0.00000%	0.00000%
Mississippi	211	5.000%	1.08389%	0.05419%
Missouri	409	6.250%	2.10099%	0.13131%
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	931	0.000%	4.78245%	0.00000%
New Mexico	0	6.600%	0.00000%	0.00000%
New York	890	0.000%	4.57184%	0.00000%
North Carolina	1,189	4.000%	6.10777%	0.24431%
North Dakota	0	4.310%	0.00000%	0.00000%
Ohio	2,021	0.000%	10.38167%	0.00000%
Oklahoma	0	6.000%	0.00000%	0.00000%
Oregon	0	7.600%	0.00000%	0.00000%
Pennsylvania	2,402	9.990%	12.33883%	1.23265%
Rhode Island	0	0.000% *	0.00000%	0.00000%
South Carolina	762	5.000%	3.91432%	0.19572%
South Dakota	0	0.000%	0.00000%	0.00000%
Tennessee	829	6.500%	4.25849%	0.27680%
Texas	0	1.934%	0.00000%	0.00000%
Utah	0	5.000%	0.00000%	0.00000%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	1,990	6.000%	10.22243%	0.61335%
Washington	0	0.000%	0.00000%	0.00000%
West Virginia	618	6.500%	3.17460%	0.20635%
Wisconsin	0	7.900%	0.00000%	0.00000%
Wyoming	0	0.000%	0.00000%	0.00000%
Total U.S.	19,467		100.00000%	5.40985%

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 2016

State	Miles SOO	Income		
		Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	0	6.500%	0.00000%	0.00000%
Arizona	0	5.500%	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	9.200%	0.00000%	0.00000%
Florida	0	5.500%	0.00000%	0.00000%
Georgia	0	6.000%	0.00000%	0.00000%
Idaho	0	7.400%	0.00000%	0.00000%
Illinois	402	7.750%	8.30579%	0.64370%
Indiana	154	6.375%	3.18182%	0.20284%
Iowa	663	12.000%	13.69835%	1.64380%
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	8.000%	0.00000%	0.00000%
Michigan	80	6.000%	1.65289%	0.09917%
Minnesota	1,703	9.800%	35.18595%	3.44822%
Mississippi	0	5.000%	0.00000%	0.00000%
Missouri	144	6.250%	2.97521%	0.18595%
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	6.600%	0.00000%	0.00000%
New York	414	0.000%	8.55372%	0.00000%
North Carolina	0	4.000%	0.00000%	0.00000%
North Dakota	530	7.810% +	10.95041%	0.85523%
Ohio	30	0.000%	0.61983%	0.00000%
Oklahoma	0	6.000%	0.00000%	0.00000%
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	112	0.000%	2.31405%	0.00000%
Tennessee	0	6.500%	0.00000%	0.00000%
Texas	0	2.055%	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	6.500%	0.00000%	0.00000%
Wisconsin	608	7.900%	12.56198%	0.99240%
Wyoming	0	0.000%	0.00000%	0.00000%
Total U.S.	4,840		100.00000%	8.07131%

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.

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

UP Average State Tax Rate for 2016

State	Miles UP	Income		
		Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	0	6.500%	0.00000%	0.00000%
Arizona	691	5.500%	2.15466%	0.11851%
Arkansas	1,326	6.500%	4.13471%	0.26876%
California	3,291	8.840%	10.26193%	0.90715%
Colorado	1,503	4.630%	4.68662%	0.21699%
Connecticut	0	0.000%	0.00000%	0.00000%
Delaware	0	8.700%	0.00000%	0.00000%
Dist. of Columbia	0	9.200%	0.00000%	0.00000%
Florida	0	5.500%	0.00000%	0.00000%
Georgia	0	6.000%	0.00000%	0.00000%
Idaho	847	7.400%	2.64110%	0.19544%
Illinois	2,319	7.750%	7.23106%	0.56041%
Indiana	19	6.375%	0.05925%	0.00378%
Iowa	1,383	12.000%	4.31244%	0.51749%
Kansas	2,196	7.000%	6.84752%	0.47933%
Kentucky	12	6.000%	0.03742%	0.00225%
Louisiana	1,143	8.000%	3.56408%	0.28513%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	0	8.250%	0.00000%	0.00000%
Massachusetts	0	8.000%	0.00000%	0.00000%
Michigan	0	6.000%	0.00000%	0.00000%
Minnesota	645	9.800%	2.01123%	0.19710%
Mississippi	0	5.000%	0.00000%	0.00000%
Missouri	1,541	6.250%	4.80511%	0.30032%
Montana	125	6.750%	0.38977%	0.02631%
Nebraska	1,067	7.810%	3.32710%	0.25985%
Nevada	1,193	0.000%	3.71999%	0.00000%
New Hampshire	0	0.000% *	0.00000%	0.00000%
New Jersey	0	0.000%	0.00000%	0.00000%
New Mexico	618	6.600%	1.92703%	0.12718%
New York	0	0.000%	0.00000%	0.00000%
North Carolina	0	4.000%	0.00000%	0.00000%
North Dakota	0	4.310%	0.00000%	0.00000%
Ohio	0	0.000%	0.00000%	0.00000%
Oklahoma	1,172	6.000%	3.65451%	0.21927%
Oregon	1,073	7.600%	3.34581%	0.25428%
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%	0.04365%	0.00284%
Texas	6,307	1.375%	19.66635%	0.27037%
Utah	1,248	5.000%	3.89149%	0.19457%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	0	6.000%	0.00000%	0.00000%
Washington	532	0.000%	1.65887%	0.00000%
West Virginia	0	6.500%	0.00000%	0.00000%
Wisconsin	930	7.900%	2.89991%	0.22909%
Wyoming	875	0.000%	2.72841%	0.00000%
Total U.S.	32,070		100.00000%	5.63641%

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 2016 State Tax Rate Calculations

May 25, 2017

1. Schedule 702 from 2016 Annual Report Form R-1 (7 pages)
2. Schedule 210 from 2016 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).
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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	104				127	231	17		1
2		Arizona	659					659			2
3		Arkansas	190				840	1,030			3
4		British Columbia	23				23	46	16		4
5		California	912				1,256	2,168	1		5
6		Colorado	804				537	1,341	2		6
7		Idaho	106					106	33		7
8		Illinois	1,149			2	393	1,544	5		8
9		Iowa	597		26	4	35	662			9
10		Kansas	1,142				445	1,587			10
11		Kentucky				13	85	98			11
12		Louisiana	240				122	362			12
13		Manitoba		4			64	68			13
14		Minnesota	1,498				203	1,701	452		14
15		Mississippi	166				13	179			15
16		Missouri	1,432				182	1,614	38		16
17		Montana	2,605				43	2,648	107		17
18		Nebraska	1,478					1,478	72		18
19		Nevada					798	798			19
20		New Mexico	1,084				514	1,598	92		20
21		North Dakota	1,617				16	1,633	3		21
22		Oklahoma	957				330	1,287			22
23		Oregon	226				182	408	110		23
24		Saskatchewan									24
25		South Dakota	870			2	33	905	3		25
26		Tennessee	16				121	137			26
27		Texas	2,627			11	2,342	4,980	1		27
28		Utah					437	437			28
29		Washington	1,332				123	1,455	86		29
30		Wisconsin	245				5	250			30
31		Wyoming	960				5	965			31
32		Total Mileage (Single Track)	23,039	4	26	32	9,274	32,375	1,038		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 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	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned	Line of propri- etary companies	Line operated under lease	Line operated under contract, etc.	Line operated under trackage rights	Total mileage operated	Line owned not operated by respondent	New line constructed during year	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1											1
2		ALABAMA	26	-	-		-	26			2
3											3
4		ILLINOIS	1,230	-	2		47	1,279			4
5											5
6		INDIANA	102	-	-		1	103			6
7											7
8		IOWA	574	-	-		-	574			8
9											9
10		KENTUCKY	85	13	-		-	98			10
11											11
12		LOUISIANA	239	-	-		-	239			12
13											13
14		MICHIGAN	874	1	3		45	923			14
15											15
16		MINNESOTA	378	-	-		-	378			16
17											17
18		MISSISSIPPI	575	-	-		-	575			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	1,386	-	-		46	1,432			26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	5,790	14	5	-	139	5,948			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 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		Illinois	155	0	0	0	247	402	0	0	1
2		Indiana	0	0	0	0	154	154	0	0	2
3		Iowa	652	0	0	0	11	663	0	0	3
4		Michigan	0	0	0	0	80	80	0	0	4
5		Minnesota	1,157	0	0	0	546	1,703	64	0	5
6		Missouri	139	0	0	0	5	144	0	0	6
7		Montana	0	0	0	0	0	0	57	0	7
8		New York	214	0	0	0	200	414	0	0	8
9		North Dakota	501	0	0	0	29	530	602	0	10
10		Ohio	0	0	0	0	30	30	0	0	11
11		South Dakota	6	0	0	0	106	112	0	0	12
12		Wisconsin	302	0	0	0	306	608	0	0	13
13											14
14											15
15											16
16											18
17											19
18											20
19											21
20											22
21											23
22											24
23											25
24											26
25											27
26											28
27											29
28											30
29											31
30		Total Mileage (single track)	3,126	0	0	0	1,714	4,840	723	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 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	900	-	-	-	111	1,011	139	-	1
2		Canada - Ontario	-	27	-	-	4	31	-	-	2
3		Canada - Quebec	2	14	30	-	6	52	12	-	3
4		Connecticut	6	-	-	-	62	68	-	-	4
5		Delaware	23	-	-	-	21	44	-	-	5
6		District Of Columbia	17	-	-	1	2	20	6	-	6
7		Florida	1,469	-	-	64	125	1,658	122	-	7
8		Georgia	1,420	-	118	1	75	1,614	145	-	8
9		Illinois	596	-	56	-	221	873	98	-	9
10		Indiana	1,165	-	15	-	364	1,544	445	-	10
11		Kentucky	1,550	63	-	-	58	1,671	24	-	11
12		Louisiana	35	-	-	-	8	43	-	-	12
13		Maryland	431	13	5	-	86	535	-	-	13
14		Massachusetts	166	-	65	8	161	400	-	-	14
15		Michigan	415	-	-	-	143	558	181	-	15
16		Mississippi	74	-	-	-	20	94	-	-	16
17		Missouri	-	-	-	-	11	11	-	-	17
18		New Jersey	62	-	-	-	584	646	-	-	18
19		New York	742	-	196	-	357	1,295	8	-	19
20		North Carolina	1,066	-	-	7	52	1,125	-	-	20
21		Ohio	1,262	-	140	8	462	1,872	236	-	21
22		Pennsylvania	421	44	23	7	568	1,063	90	-	22
23		South Carolina	1,244	-	47	-	17	1,308	12	-	23
24		Tennessee	824	-	16	2	146	988	71	-	24
25		Virginia	758	30	7	-	256	1,051	2	-	25
26		West Virginia	1,056	20	15	-	226	1,317	191	-	26
27											27
28											28
29											29
30											30
31											31
32		Total Mileage (Single Track)	15,704	211	733	98	4,146	20,892	1,782		32

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

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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	-	-	-	21	417	3	-	1
2											2
3		Kansas	18	-	-	-	-	18	-	-	3
4											4
5		Arkansas	158	-	-	-	5	163	59	-	5
6											6
7		Oklahoma	150	-	-	-	1	151	6	-	7
8											8
9		Louisiana	677	-	2	-	65	744	173	-	9
10											10
11		Texas	579	-	-	-	349	928	-	-	11
12											12
13		Tennessee	5	-	-	-	-	5	-	-	13
14											14
15		Mississippi	587	-	1	-	135	723	52	-	15
16											16
17		Alabama	-	-	-	-	44	44	79	-	17
18											18
19		Illinois	182	-	-	-	17	199	-	-	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)	2,752	-	3	-	637	3,392	372	-	32

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

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			Line owned (b)	Line of propie- tary 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	1,212				92	1,304	89		1
2		Canada					2	2			2
3		Delaware	35				43	78	93		3
4		District of Columbia					13	13			4
5		Florida	95				53	148			5
6		Georgia	1,696				9	1,705	381		6
7		Illinois	842				414	1,256	63		7
8		Indiana	1,174		2		265	1,441	36		8
9		Iowa	5			1	37	43	43		9
10		Kansas					2	2			10
11		Kentucky	154		212		63	429			11
12		Louisiana	72				4	76			12
13		Maryland	59				174	233	37		13
14		Michigan	115				372	487	157		14
15		Mississippi	209				2	211			15
16		Missouri	344				65	409			16
17		New Jersey	124				807	931	2		17
18		New York	596				294	890	178		18
19		North Carolina	825				364	1,189	418		19
20		Ohio	1,622		10		389	2,021	251		20
21		Pennsylvania	1,760			5	637	2,402	193		21
22		South Carolina	658				104	762	37		22
23		Tennessee	647		136		46	829	144		23
24		Virginia	1,883				107	1,990	154		24
25		West Virginia	586				32	618	233		25
26											26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	14,713		360	6	4,390	19,469	2,509		32

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

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Line No.	Cross Check	State or Territory (a)	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)	Line No.
1		Arizona	691	-	-	-	-	691	0	-	1
2		Arkansas	1,316	-	6	-	4	1,326	149	-	2
3		California	2,750	-	-	-	541	3,291	673	-	3
4		Colorado	1,153	-	-	-	350	1,503	171	-	4
5		Idaho	843	-	-	-	4	847	43	-	5
6		Illinois	1,550	19	4	-	746	2,319	10	-	6
7		Indiana	-	-	-	-	19	19	-	-	7
8		Iowa	1,288	-	-	-	95	1,383	6	-	8
9		Kansas	1,563	-	-	-	633	2,196	313	-	9
10		Kentucky	-	-	-	-	12	12	-	-	10
11		Louisiana	1,087	-	-	-	56	1,143	31	-	11
12		Minnesota	418	-	-	-	227	645	16	-	12
13		Missouri	973	-	-	-	568	1,541	358	-	13
14		Montana	125	-	-	-	-	125	52	-	14
15		Nebraska	976	-	-	-	91	1,067	254	-	15
16		Nevada	1,193	-	-	-	-	1,193	-	-	16
17		New Mexico	535	-	-	-	83	618	-	-	17
18		Oklahoma	514	-	307	-	351	1,172	73	-	18
19		Oregon	868	-	-	-	205	1,073	396	-	19
20		Tennessee	9	-	-	-	5	14	-	-	20
21		Texas	5,192	-	-	-	1,115	6,307	289	-	21
22		Utah	1,248	-	-	-	-	1,248	60	-	22
23		Washington	272	-	-	-	260	532	87	-	23
24		Wisconsin	595	-	-	-	335	930	107	-	24
25		Wyoming	875	-	-	-	-	875	-	-	25
26											26
27											27
28											28
29											29
30											30
31		TOTAL MILEAGE	26,034	19	317	-	5,700	32,070	3,088	-	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

Schedule 210

Line 15, col b

= Line 66, col b

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

Lines 47,48,49 col b

= Line 67, col b

Line 50, col b

= Line 68, 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

Schedule 410

Line 14, col d

= Line 620, col h

Line 14, col e

= Line 620, col f

4. All contra entries should be shown in parenthesis.

= 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	19,304,902	21,366,873	19,304,902		1
2		(102) Passenger					2
3		(103) Passenger-related					3
4		(104) Switching	46,796	50,083	46,796		4
5		(105) Water transfers					5
6		(106) Demurrage	192,739	196,526	192,739		6
7		(110) Incidental	109,323	144,041	109,323		7
8		(121) Joint facility - credit	8,003	8,056	8,003		8
9		(122) Joint facility - debit					9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	19,661,763	21,765,579	19,661,763		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)	19,661,763	21,765,579	19,661,763		13
14	*	(531) Railway operating expenses	13,061,812	14,112,377	13,061,812		14
15	*	Net revenue from railway operations	6,599,951	7,653,202	6,599,951		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	205,311	137,028			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	21,763	41,039			24
25		Income from affiliated companies: 519 a. Dividends (equity method)	5,683	14,000			25
26		b. Equity in undistributed earnings (losses)	10,154	2,151			26
27		TOTAL OTHER INCOME (lines 16-26)	243,311	194,618			27
28		TOTAL INCOME (lines 15, 27)	6,843,262	7,847,820			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	16,166	26,694			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS	16,166	26,694			36
37		Income available for fixed charges	6,827,096	7,821,126			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					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	39,891	37,407	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	7,494	1,520	40
41		(548) Amortization of discount on funded debt	2,172	2,192	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	49,557	41,119	42
43		Income after fixed charges (line 37 minus line 42)	6,777,539	7,780,007	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 inc. taxes)	6,777,539	7,780,007	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	1,360,221	1,578,619	47
48	*	(b) State income taxes	171,921	210,215	48
49	*	(c) Other income taxes	567		49
50	*	(557) Provision for deferred taxes	985,717	1,115,003	50
51		TOTAL PROVISION FOR INCOME TAXES (lines 47 through 52)	2,518,426	2,903,837	51
52		Income from continuing operations (line 46 minus line 51)	4,259,113	4,876,170	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)	4,259,113	4,876,170	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)	4,259,113	4,876,170	61
62		Less: Net Income attributable to noncontrolling interest			62
63		Net Income attributable to reporting railroad			63
64		Basic Earnings per Share			64
65		Diluted Earnings per Share			65
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
66	*	Net revenues from railway operations	6,599,951	7,653,202	66
67	*	(556) Income taxes on ordinary income (-)	1,532,709	1,788,834	67
68	*	(557) Provision for deferred income taxes (-)	985,717	1,115,003	68
69		Income from lease of road and equipment (-)	12,848	12,848	69
70		Rent for leased roads and equipment (+)			70
71		Net railway operating income (loss)	4,068,677	4,736,517	71

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

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

Schedule 210

Cross - Checks

Schedule 210

Line 15, col b

= Line 62, col b

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

Lines 47, 48, 49 col b

= Line 63, col b

Line 50, 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

Schedule 410

Line 14, col d

= Line 620, col h

Line 14, col e

= Line 620, col f

= Line 620, col g

4. All contra entries should be shown in parenthesis.

Line No.	Cross Check	Account	Item	Amount for current year	Amount for preceding year	Freight-related revenue & expenses	Passenger-related revenue & expenses	Line No.
			(a)	(b)	(c)	(d)	(e)	
			ORDINARY ITEMS					
			OPERATING INCOME					
			Railway Operating Income					
1		(101)	Freight	2,642,164	2,953,432	2,642,164	-	1
2		(102)	Passenger	-	-	-	-	2
3		(103)	Passenger - related	-	-	-	-	3
4		(104)	Switching	52,400	57,147	52,400	-	4
5		(105)	Water transfers	216,594	204,511	216,594	-	5
6		(106)	Demurrage	32,968	36,533	32,968	-	6
7		(110)	Incidental	32,463	41,781	32,463	-	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)	2,976,589	3,293,404	2,976,589	-	10
11		(502)	Railway operating revenues - transfers from government authorities	5,382	5,368	5,382	-	11
12		(503)	Railway operating revenues - amortization of deferred transfers from government authorities	4,609	3,532	4,609	-	12
13			TOTAL RAILWAY OPERATING REVENUES (Lines 10 - 12)	2,986,580	3,302,304	2,986,580	-	13
14	*	(531)	Railway operating expenses	2,080,577	2,174,937	2,080,577	-	14
15	*		Net revenue from railway operations	906,003	1,127,367	906,003	-	15
			OTHER INCOME					
16		(506)	Revenue from property used in other than carrier operations	-	-			16
17		(510)	Miscellaneous rent income	7,593	8,481			17
18		(512)	Separately operated properties - profit	-	-			18
19		(513)	Dividend income (cost method)	-	-			19
20		(514)	Interest income	2,418	2,404			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	3,868	10,115			24
25			Income from affiliated companies: 519					
			a) Dividends (equity method)	-	-			25
26			b) Equity in undistributed earnings (losses)	2,344	(1,851)			26
27			TOTAL OTHER INCOME (Lines 16 - 26)	16,223	19,149			27
28			TOTAL INCOME (Lines 15, 27)	922,226	1,146,516			28
			MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534)	Expense of property used in other than carrier operations	1,200	1,200			29
30		(544)	Miscellaneous taxes	-	-			30
31		(545)	Separately operated properties - Loss	-	-			31
32		(549)	Maintenance of investment organizations	-	-			32
33		(550)	Income transferred under contracts and agreements	-	-			33
34		(551)	Miscellaneous income charges	1,318	427			34
35		(553)	Uncollectible accounts	-	-			35
36			TOTAL MISCELLANEOUS DEDUCTIONS	2,518	1,627			36
37			Income available for fixed charges	919,708	1,144,889			37

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

Line No.	Cross Check	Account	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	400,449	400,575	38
39			(b) Interest in default	-	-	39
40		(547)	Interest on unfunded debt	-	-	40
41		(548)	Amortization of discount on funded debt	5	5	41
42			TOTAL FIXED CHARGES (lines 38 through 41)	400,454	400,580	42
43			Income after fixed charge (line 37 minus line 42)	519,254	744,309	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)	519,254	744,309	46
PROVISIONS FOR INCOME TAXES						
47	*	(556)	Income taxes on ordinary income: (a) Federal income taxes	2,749	70,378	47
48	*		(b) State income taxes	8,001	17,352	48
49	*		(c) Other income taxes	-	-	49
50	*	(557)	Provision for deferred taxes	187,918	200,954	50
51			TOTAL PROVISIONS FOR INCOME TAXES (lines 47 through 50)	198,668	288,684	51
52			Income from continuing operations (line 46 minus line 51)	320,586	455,625	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)	320,586	455,625	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)	320,586	455,625	61
62			Less: Net Income attributable to noncontrolling interest	-	-	62
63			Net Income attributable to reporting railroad	320,586	455,625	63
64			Basic Earnings Per Share	1,040,863.64	1,479,301.95	64
65			Diluted Earnings Per Share	1,040,863.64	1,479,301.95	65
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)						
66	*		Net revenues from railway operations	906,003	1,127,367	66
67	*	(556)	Income taxes on ordinary income (-)	10,750	87,730	67
68	*	(557)	Provision for deferred taxes (-)	187,918	200,954	68
69			Income from leased road and equipment (-)	-	-	69
70			Rent for leased road and equipment (+)	311	99	70
71			Net railway operating income (loss)	707,646	838,782	71

Note: Basic Earnings Per Share and Diluted Earnings Per Share presented on lines 64 and 65 are in full dollars and cents.

210. RESULTS OF OPERATIONS *

(Dollars in thousands)

- | | |
|---|---|
| <p>1. Disclose requested information for the respondent pertaining to the results of operations for the year.</p> <p>2. Report total operating expenses from Sched. 410. Any differences between this schedule and Sched. 410 must be explained on page 18.</p> <p>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.</p> <p>4. All contra entries hereunder should be indicated in parenthesis.</p> | <p>5. Cross-checks:</p> <p>Schedule 210
Line 15, column (b)
Line 47, 48, 49 col (b)
Line 50, col (b)</p> <p>Line 14, column (b)
Line 14, column (d)
Line 14, column (e)</p> <p>Schedule 210
= Line 62, col (b)
= Line 63, col (b)
= Line 64, col (b)</p> <p>Schedule 410
= Line 620, col (h)
= Line 620, col (f)
= Line 620, col (g)</p> |
|---|---|

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					
1		(101) Freight	1,276,973	1,549,561	1,276,973	0	1
2		(102) Passenger	0	0	0	0	2
3		(103) Passenger-Related	0	0	0	0	3
4		(104) Switching	10,732	11,813	10,732	0	4
5		(105) Water Transfers	0	0	0	0	5
6		(106) Demurrage	22,427	30,958	22,427	0	6
7		(110) Incidental	3,249	1,843	3,249	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)	1,313,381	1,594,175	1,313,381	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	896	9,151	896	0	12
13		TOTAL RAILWAY OPERATING REVENUES (\$ less applicable tax of \$)	1,314,277	1,603,326	1,314,277	0	13
14		(531) Railway operating expenses	901,692	1,029,140	901,692	0	14
15		Net revenue from railway operations	412,585	574,186	412,585	0	15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	0	0			16
17		(510) Miscellaneous rent income	9,301	10,921			17
18		(512) Separately operated properties-Profit	0	0			18
19		(513) Dividend Income (cost method)	146	0			19
20		(514) Interest Income	3,909	1,359			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	6,220	67,022			24
25		Income from affiliated companies: 519 a. Dividends (equity method)	0	0			25
26		b. Equity in undistributed earnings (losses)	9,455	8,691			26
27		TOTAL OTHER INCOME (lines 16-26)	29,031	87,993			27
28		TOTAL INCOME (lines 15, 27)	441,616	662,179			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	3,821	1,934			34
35		(553) Uncollectible accounts	0	0			35
36		TOTAL MISCELLANEOUS DEDUCTIONS	3,821	1,934			36
37		Income available for fixed charges	437,795	660,245			37

See additional notes to financial statements on pages 7-15

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	101,878	83,304	38
39		(b) Interest in default	0	0	39
40		(547) Interest on unfunded debt	181	42	40
41		(548) Amortization of discount on funded debt	0	0	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	102,059	83,346	42
43		Income after fixed charges (lines 37 minus line 42)	335,736	576,899	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)	335,736	576,899	46
		PROVISIONS FOR INCOME TAXES			
47		(556) Income taxes on ordinary income:			
		(a) Federal income taxes	52,755	157,290	47
48		(b) State income taxes	14,278	16,789	48
49		(c) Other income taxes	(7)	0	49
50		(557) Provision for deferred taxes	71,277	47,052	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47 through 50)	138,303	221,131	51
52		Income from continuing operations (line 46 minus line 51)	197,433	355,768	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)	197,433	355,768	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 (less applicable tax of \$)	0	0	60
61		Net income (loss) (lines 55 + 59 + 60)	197,433	355,768	61
62		Less: Net Income attributable to noncontrolling interest	0	0	62
63		Net income attributable to reporting railroad (lines 61 + 62)	197,433	355,768	63
64		Basic Earnings Per Share	94	0	64
65		Diluted Earnings Per Share	94	0	65
		Reconciliation of net railway operating income (NROI)			
66		Net revenues from railway operations	412,585	574,186	66
67		(556) Income taxes on ordinary income (-)	67,026	174,079	67
68		(557) Provision for deferred income taxes (-)	71,277	47,052	68
69		Income from lease of road and equipment (-)	0	0	69
70		Rent for leased roads and equipment (+)	72	72	70
71		Net railway operating income (loss)	274,354	353,127	71

* Schedule was prepared to comply with EP720 changes effective as of 01-01-2016 on a prospective basis. Balances at beginning of year and preceding year were not restated per agency inquiry received 03-07-2017.

See additional notes to financial statements on pages 7-15

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

- | | | | |
|----|--|--|---|
| 1. | Disclose requested information for respondent pertaining to results of operations for the year. | Schedule 210
Line 15, col b | Cross-Checks
Schedule 210
= Line 66, col b |
| 2. | Report total operating expenses from Sched. 410. Any differences between this schedule and Sched. 410 must be explained on page 23. | Lines 47,48,49 col b
Line 50, col b | = Line 67, col b
= Line 68, 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 & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	\$ 10,701,417	\$ 11,332,836	\$ 10,701,417	-	1
2		(102) Passenger	-	-	-	-	2
3		(103) Passenger-related	-	-	-	-	3
4		(104) Switching	(114,513)	(128,555)	(114,513)	-	4
5		(105) Water transfers	-	-	-	-	5
6		(106) Demurrage	48,426	68,637	48,426	-	6
7		(110) Incidental	135,280	213,333	135,280	-	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)	10,770,610	11,486,251	10,770,610	-	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)	\$ 10,770,610	\$ 11,486,251	\$ 10,770,610	-	13
14	*	(531) Railway operating expenses	8,113,731	8,810,125	8,113,731	-	14
15	*	Net revenue from railway operations	\$ 2,656,879	\$ 2,676,126	\$ 2,656,879	-	15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	\$ -	\$ -			16
17		(510) Miscellaneous rent income	37,912	36,524			17
18		(512) Separately operated properties - profit	-	-			18
19		(513) Dividend income (cost method)	19,463	16,551			19
20		(514) Interest income	51,216	49,741			20
21		(516) Income from sinking and other funds	-	-			21
22		(517) Release of premiums on funded debt	5,580	5,576			22
23		(518) Reimbursements received under contracts and agreements	-	-			23
24		(519) Miscellaneous income	138,571	109,363			24
25		Income from affiliated companies: 519					
		a. Dividends (equity method)	77,369	35,429			25
26		b. Equity in undistributed earnings (losses)	(4,382)	14,374			26
27		TOTAL OTHER INCOME (lines 16-26)	\$ 325,729	\$ 267,558			27
28		TOTAL INCOME (lines 15, 27)	\$ 2,982,608	\$ 2,943,684			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	37,425	27,500			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	61,255	56,015			34
35		(553) Uncollectible accounts	-	-			35
36		TOTAL MISCELLANEOUS DEDUCTIONS	\$ 98,680	\$ 83,515			36
37		Income available for fixed charges	\$ 2,883,928	\$ 2,860,169			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	\$ 31,449	\$ 30,256	38
39		(b) Interest in default	-	-	39
40		(547) Interest on unfunded debt	3,042	2,729	40
41		(548) Amortization of discount on funded debt	-	-	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	\$ 34,491	\$ 32,985	42
43		Income after fixed charges (line 37 minus line 42)	\$ 2,849,437	\$ 2,827,184	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)	\$ 2,849,437	\$ 2,827,184	46
PROVISIONS FOR INCOME TAXES					
47	*	(556) Income taxes on ordinary income:			
		(a) Federal income taxes	\$ 581,745	\$ 522,479	47
48	*	(b) State income taxes	71,536	81,471	48
49	*	(c) Other income taxes	1,513	829	49
50	*	(557) Provision for deferred taxes	379,861	432,227	50
51		TOTAL PROVISION FOR INCOME TAXES (lines 47 through 52)	\$ 1,034,655	\$ 1,037,006	51
52		Income from continuing operations (line 46 minus line 51)	\$ 1,814,782	\$ 1,790,178	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)	\$ 1,814,782	\$ 1,790,178	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)	\$ 1,814,782	\$ 1,790,178	61
62		Less: Net Income attributable to noncontrolling interest	193	(435)	62
63		Net Income attributable to reporting railroad	1,814,589	1,790,613	63
64		Basic Earnings Per Share (See Note below)	\$ 200.26	\$ 197.62	64
65		Diluted Earnings Per Share (See Note below)	\$ 200.26	\$ 197.62	65
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
66	*	Net revenues from railway operations	\$ 2,656,879	\$ 2,676,126	66
67	*	(556) Income taxes on ordinary income (-)	(654,794)	(604,779)	67
68	*	(557) Provision for deferred income taxes (-)	(379,861)	(432,227)	68
69		Income from lease of road and equipment (-)	(44,367)	(43,670)	69
70		Rent for leased roads and equipment (+)	12,899	14,862	70
71		Net railway operating income (loss)	\$ 1,590,756	\$ 1,610,312	71

Notes and Remarks For Schedules 210 and 220

Note: Basic and diluted earnings per share in lines 64 and 65, respectively, are based on the number of CSXT shares outstanding, which are all held by CSX Corporation. The number of CSXT shares is not equivalent to the weighted-average number of shares of common stock outstanding used to calculate earnings per share related to the consolidated results of CSX Corporation.

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)

Schedule 210

= Line 66, column (b)

= Line 67, column (b)

= Line 68, 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	1,139,056	1,176,231	1,139,056	NONE	1
2		(102) Passenger	-	-	-		2
3		(103) Passenger-Related	-	-	-		3
4		(104) Switching	13,642	12,443	13,642		4
5		(105) Water Transfers	-	-	-		5
6		(106) Demurrage	30,167	26,281	30,167		6
7		(110) Incidental	15,444	18,728	15,444		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)	1,198,309	1,233,683	1,198,309		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	1,826	1,686	1,826		12
13		TOTAL RAILWAY OPERATING REVENUES (Lines 10-12)	1,200,135	1,235,369	1,200,135		13
14		(531) Railway Operating Expenses	868,576	879,695	868,576		14
15		Net Revenue from Railway Operations	331,559	355,674	331,559		15
		OTHER INCOME					
16		(506) Revenue from Property Used in Other Than Carrier Operations	25	31			16
17		(510) Miscellaneous Rent Income	-	-			17
18		(512) Separately Operated Properties - Profit	-	-			18
19		(513) Dividend Income (Cost Method)	2	3			19
20		(514) Interest Income	199	36			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	1,080	279			24
25		Income from Affiliated Companies: 519 a. Dividends (Equity Method)	-	-			25
26		b. Equity in Undistributed Earnings (Losses)	1,887	1,844			26
27		TOTAL OTHER INCOME (Lines 16-26)	3,193	2,193			27
28		TOTAL INCOME (Lines 15, 27)	334,752	357,867			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of Property Used in Other Than Carrier Operations	-	-			29
30		(544) Miscellaneous Taxes	-	1,472			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	2,289	2,146			34
35		(553) Uncollectible Accounts	-	-			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (Lines 29-35)	2,289	3,618			36
37		Income Available for Fixed Charges (Lines 28, 36)	332,463	354,249			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	83,486	84,979	38
39		(b) Interest in Default	-	-	39
40		(547) Interest on Unfunded Debt	(193)	313	40
41		(548) Amortization of Discount on Funded Debt	380	6,298	41
42		TOTAL FIXED CHARGES (Lines 38-41)	83,673	91,590	42
43		Income after Fixed Charges (Lines 37, 42)	248,790	262,659	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)	248,790	262,659	46
PROVISIONS FOR INCOME TAXES					
47		(556) Income Taxes on Ordinary Income: (a) Federal Income Taxes	1,015	-	47
48		(b) State Income Taxes	218	(260)	48
49		(c) Other Income Taxes	3,659	-	49
50		(557) Provision for Deferred Taxes	87,079	98,326	50
51		TOTAL PROVISIONS FOR INCOME TAXES (Lines 47-50)	91,971	98,066	51
52		Income from Continuing Operations (Line 46 minus Line 51)	156,819	164,593	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 Tax of \$ -)	-	-	54
55		Income before Extraordinary Items (Lines 52 + 53 + 54)	156,819	164,593	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)	156,819	164,593	61
62		Less: Net Income attributable to noncontrolling interest	1,713	1,766	62
63		Net Income attributable to reporting railroad	155,106	162,827	63
64		Basic Earnings Per Share	15.76	16.55	64
65		Diluted Earnings Per Share	15.76	16.55	65
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
66		Net Revenues from Railway Operations	331,559	355,674	66
67		(556) Income Taxes on Ordinary Income (-)	4,892	(260)	67
68		(557) Provision for Deferred Taxes (-)	87,079	98,326	68
69		Income from Lease of Road and Equipment (-)	-	-	69
70		Rent for Leased Roads and Equipment (+)	83	54	70
71		Net Railway Operating Income (Loss)	239,671	257,662	71
Note: Line 49 includes current foreign withholding income taxes.					

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 Schedule 410. Any differences between this schedule and Schedule 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 should be shown in parenthesis

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 66, column (b)

= Line 67, column (b)

= Line 68, column (b)

Schedule 410

= Line 620, column (h)

= Line 620, column (f)

= Line 620, column (g)

Line No.	Cross Check	Item	Amount for current year	Amount for preceding year	Freight-related revenue & expenses	Passenger-related revenue & expenses	Line No.
		(a)	(b)	(c)	(d)	(e)	
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	9,572,504	10,179,127	9,572,504		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	56,899	60,194	56,899		4
5		(105) Water Transfers					5
6		(106) Demurrage	184,481	195,179	184,481		6
7		(110) Incidental	74,382	76,680	74,382		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)	9,888,266	10,511,180	9,888,266		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)	9,888,266	10,511,180	9,888,266		13
14	*	(531) Railway operating expenses	7,129,838	7,886,482	7,129,838		14
15	*	Net revenue from railway operations	2,758,428	2,624,698	2,758,428		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	13,422	12,362			16
17		(510) Miscellaneous rent income	77,567	65,391			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income	55,925	27,907			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	44,103	34,985			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)		6			25
26		b. Equity in undistributed earnings (losses)	6				26
27		TOTAL OTHER INCOME (lines 16-26)	191,023	140,651			27
28		TOTAL INCOME (lines 15, 27)	2,949,451	2,765,349			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	16,740	19,596			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	20,144	15,022			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	36,884	34,618			36
37		Income available for fixed charges (lines 28, 36)	2,912,567	2,730,731			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			
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	202,421	158,836	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	25,479	15,464	40
41		(548) Amortization of discount on funded debt			41
42		TOTAL FIXED CHARGES (lines 38-41)	227,900	174,300	42
43		Income after fixed charges (line 37 minus line 42)	2,684,667	2,556,431	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)	2,684,667	2,556,431	46
		PROVISIONS FOR INCOME TAXES			
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	683,269	592,382	47
48	*	(b) State income taxes	73,533	56,956	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	235,739	278,891	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	992,541	928,229	51
52		Income from continuing operations (line 46 minus line 51)	1,692,126	1,628,202	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)	1,692,126	1,628,202	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)	1,692,126	1,628,202	61
62		Less: Net Income attributable to noncontrolling interest			62
63		Net Income attributable to reporting railroad	1,692,126	1,628,202	63
64		Basic Earnings Per Share	101.51	97.68	64
65		Diluted Earnings Per Share	101.51	97.68	65
		RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)			
66	*	Net revenues from railway operations	2,758,428	2,624,698	66
67	*	(556) Income taxes on ordinary income (-)	(756,802)	(649,338)	67
68	*	(557) Provision for deferred income taxes (-)	(235,739)	(278,891)	68
69		Income from lease of road and equipment (-)	(9,915)	(10,239)	69
70		Rent for leased roads and equipment (+)	24,849	24,560	70
71		Net railway operating income (loss)	1,780,821	1,710,790	71

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 65, col b

= Line 66, col b

= Line 67, 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	18,600,852	20,396,565	18,600,852		1
2		(102) Passenger	121,150	118,814		121,150	2
3		(103) Passenger-Related	123	680		123	3
4		(104) Switching	163,173	170,748	163,173		4
5		(105) Water Transfers	21,183	28,410	21,183		5
6		(106) Demurrage	107,120	144,363	107,120		6
7		(110) Incidental	831,699	843,465	831,699		7
8		(121) Joint Facility-Credit	11,010	12,111	11,010		8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	19,856,310	21,715,156	19,735,037	121,273	10
11		(502) Railway operating revenues-transfers from government authorities	84,121	90,054		84,121	11
12		(503) Railway operating revenues-amortization of deferred transfers from government authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	19,940,431	21,805,210	19,735,037	205,394	13
14	*	(531) Railway operating expenses	12,752,314	13,838,390	12,550,939	201,375	14
15	*	Net revenue from railway operations	7,188,117	7,966,820	7,184,098	4,019	15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	19,718	23,018			16
17		(510) Miscellaneous rent income	106,735	107,957			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend income (cost method)	213	225			19
20		(514) Interest income	210,800	141,328			20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt	207	302			22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	119,474	150,428			24
25		Income from affiliated companies: 519					
		a. Dividends (equity method)	31,637	31,454			25
26		b. Equity in undistributed earnings (losses)	109,618	82,283			26
27		TOTAL OTHER INCOME (lines 16-26)	598,402	536,995			27
28		TOTAL INCOME (lines 15, 27)	7,786,519	8,503,815			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	13,213	12,533			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	52,701	48,476			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS	65,914	61,009			36
37		Income available for fixed charges	7,720,605	8,442,806			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:			38
		(a) Fixed interest not in default	93,880	107,021	
39		(b) Interest in default			39
40		(547) Interest on unfunded debt			40
41		(548) Amortization of discount on funded debt	4,401	3,926	41
42		TOTAL FIXED CHARGES (lines 38-41)	98,281	110,947	42
43		Income after fixed charges (line 37 minus line 42)	7,622,324	8,331,859	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt:			44
		(c) Contingent interest	7,604	7,604	
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	7,614,720	8,324,255	46
PROVISIONS FOR INCOME TAXES					
47	*	(556) Income taxes on ordinary income:			47
		(a) Federal income taxes	1,864,567	2,125,974	
48	*	(b) State income taxes	207,864	218,044	48
49	*	(c) Other income taxes	36,572	(50,084)	49
50	*	(557) Provision for deferred taxes	744,263	830,441	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-52)	2,853,266	3,124,375	51
52		Income from continuing operations (line 46 minus line 51)	4,761,454	5,199,880	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)	4,761,454	5,199,880	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)	4,761,454	5,199,880	61
62		Less: Net Income attributable to noncontrolling interest			62
63		Net Income attributable to reporting railroad	4,761,454	5,199,880	63
64		Basic Earnings Per Share	N/A	N/A	64
65		Diluted Earnings Per Share	N/A	N/A	65
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
66	*	Net revenues from railway operations	7,188,117	7,966,820	66
67	*	(556) Income taxes on ordinary income (-)	(2,109,003)	(2,293,934)	67
68	*	(557) Provision for deferred income taxes (-)	(744,263)	(830,441)	68
69		Income from lease of road and equipment (-)			69
70		Rent for leased roads and equipment (+)			70
71		Net railway operating income (loss)	4,334,851	4,842,445	71

Note: Line 49 reflects current foreign income taxes and unrecognized tax benefits expense.

All stock is owned by the parent company Union Pacific Corporation. Please reference schedule "C" for details.