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# Commercial Railroad Car Fee

Last Modified:

The AQI program inspects commercial railroad cars arriving at land ports in the [customs territory of the United States](#) from Mexico and Canada.

User fee regulations ([7 CFR 354.3\(a\)](#)) define a commercial railroad car as: “Any carrying vehicle, measured from coupler to coupler and designed to operate on railroad tracks, other than a locomotive or a caboose.” Commercial railroad car fee regulations are listed in [7 CFR 354.3\(d\)](#).

## The Cost and What It Covers

The current commercial railroad car fee is **\$7.23** per railroad car (loaded or empty) per crossing or **\$347.04** per railroad car per calendar year (see [7 CFR 354.3\(d\)](#)). This fee will be adjusted on October 1<sup>st</sup> of each year through Fiscal Year 2028 as specified in the [AQI User Fees table](#). This fee covers the direct and indirect costs of clearing a railroad car, including:

- Reviewing manifests and documentation with incoming cargo
- Targeted, risk-based cargo inspection or clearance
- Inspecting agricultural and agricultural-related commodities, containers, compliant wood packaging material, and packing materials to screen for plant pests and contaminants, ensure compliance with regulations, and determine

entry status

- Inspecting railroad cars for contaminants, pests, or invasive species
- Identifying pests found during inspection
- Monitoring the storage and removal of regulated international garbage from the railroad car to ensure consistency with all regulatory requirements
- Safeguarding shipments pending APHIS' decision on treatment or final disposition
- Issuing phytosanitary permits for commodities moved by rail

## Exemptions

Some categories of commercial railroad cars are exempt from paying an AQI user fee (see [7 CFR 354.3\(d\)\(2\)](#)).

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## Paying the Fee

As described in [7 CFR 354.3\(d\)](#), the commercial railroad car user fee can be paid for each arrival. APHIS provides a [Remittance Worksheet](#) (582 KB) to assist with the process. Commercial railroad car fees are due within 90 days after the end of each calendar month as shown in Table 1. Fees can be remitted by The Association of American Railroads (AAR), the National Railroad Passenger Corporation (AMTRAK), or by individual railroad companies. Alternatively, the commercial railroad car user fee can be prepaid for the calendar year.

Table 1: Commercial Railroad Car Fee Remittance Schedule

| Month of Arrival | Reconciliation Period | Due Date     |
|------------------|-----------------------|--------------|
| January          | February – April      | April 30     |
| February         | March – May           | May 31       |
| March            | April – June          | June 30      |
| April            | May – July            | July 31      |
| May              | June – August         | August 31    |
| June             | July – September      | September 30 |
| July             | August – October      | October 31   |
| August           | September – November  | November 30  |

| Month of Arrival | Reconciliation Period | Due Date    |
|------------------|-----------------------|-------------|
| September        | October – December    | December 31 |
| October          | November – January    | January 31  |
| November         | December – February   | February 28 |
| December         | January – March       | March 31    |

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## How To Set Up a Payment Account

To set up a payment account with APHIS' Financial Management Division (FMD), send a completed [New Account Packet – Railroad Cars](#) (920.76 KB) to the location indicated on the worksheet.

*Companies need a separate APHIS account for each user fee type, such as international air passenger, treatment monitoring, reimbursable overtime, and other types.*

## AQI User Fee Tax Implications

AQI User fees may fall primarily into two business deduction categories: cost of goods sold and operational expenses. While entities should consult a licensed, certified or otherwise credentialed tax professional on appropriate treatment, the AQI user fee program created the following informational guide to inform stakeholders: [Agricultural Quarantine and Inspection User Fees - Effects on Taxable Corporate Income](#) (227.04 KB)

## Overpayment

If remitters overpay fees for any particular month, the remitter may apply the overpayment against the next remittance. Remitters must submit a revised written statement indicating the revised number of arrivals. The revised written statement must be completed and filed for each month during which the entity certifies that AQI user fees were overpaid. An [Account Credit Request Worksheet](#) (44.25 KB) is available to help with this process. Contact FMD concerning refund options if

applying the overpayment against the next remittance is not practical.

## **Compliance**

APHIS and CBP conduct periodic audits to determine compliance. As specified in [7 CFR 354.3\(d\)\(6\)](#), the AAR, AMTRAK, and each railroad company responsible for making AQI user fee payments must advise the USDA, APHIS, FMD of the name, address, and telephone number of an agent or other responsible person who is authorized to verify AQI user fee calculations, collections, and written statements, payments, as well as any changes in the identifying information submitted. The agent or other responsible person for a payment remains the agent or responsible person until the railroad company notifies APHIS of a transfer of responsibility. The agent or responsible person must contact APHIS to initiate any transfer by contacting [ABSHelpline@usda.gov](mailto:ABSHelpline@usda.gov).

## **Recordkeeping and Record Retention**

AQI user fee records retention requirements are outlined in [7 CFR 354.3\(j\)](#). Entities responsible for paying AQI user fees and their agents must maintain sufficient documentation for APHIS, CBP, and representatives to verify the accuracy of fee collections. This documentation must be maintained in the United States for a period of 5 years from the date of remittance calculation.

## **Reimbursable Overtime Services**

Customers may request and receive AQI services associated with activities typically covered by an AQI user fee outside the normal tour of duty of the employee(s) providing the requested service. In such cases, overtime charges may be assessed as outlined in [7 CFR 354.1](#).

### **APHIS Reimbursable Overtime Services**

Refer to the "Reimbursable Overtime (ROT) Services" section of [User Fees](#) for more information, including how to pay the reimbursable overtime fee.

### **CBP Reimbursable Overtime Services**

Any requests for agriculture reimbursable overtime will be made in accordance with CBP port policy. Please contact your [local CBP port of entry](#).

## Frequently Asked Questions

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### **Can companies remit payments more frequently than specified in the remittance schedule (Table 1)?**

While the regulations do not prohibit more frequent payment, remitting payments monthly, as outlined in [Table 1](#), minimizes administrative costs, stabilizes cash flows, and allows time to reconcile payments. We discourage payments any more frequently than monthly.

### **Do companies still have to submit a written statement when no fees are collected?**

Yes.

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