

**B.C.D. 14-26**

**December 9, 2014**

**EMPLOYER STATUS DETERMINATION**

**Natchez Railway, Inc. (NRI)**

**from Natchez Railway, LLC. (Natchez)**

This is the determination of the Railroad Retirement Board concerning the continued status of Natchez Railway, LLC (Natchez) (BA Number 5407) as an employer under the Railroad Retirement Act (45 U.S.C. § 231 et seq.) and the Railroad Unemployment Insurance Act (45 U.S.C. § 351 et seq.). The status of Natchez has changed and a new entity known as Natchez Railway, Inc. (NRI) now exists.

In Board Coverage Decision 09-70, issued on November 23, 2009, the three-member Board held that Natchez became a covered employer under the jurisdiction of the Railroad Retirement and Railroad Unemployment Insurance Acts on July 1, 2009, the date on which it began railroad operations.

Information about Natchez and NRI was provided by Mr. Aaron P. Parsons, Assistant Vice President of Natchez. According to Mr. Parsons, Natchez (EIN 26-4819452) was recently changed from a limited liability company (LLC) to NRI, a railroad corporation, i.e. Inc., (EIN 46-5519619). Information submitted by Mr. Parsons shows that NRI was created as a railroad corporation pursuant to the provisions of Miss. Code Ann. § 77-9-101 and recorded in the Mississippi Record of Incorporations on January 14, 2012. Mr. Parsons indicated that NRI wished to use the same BA number as Natchez was issued and that to allow NRI to do so would eliminate confusion with the Board and the Internal Revenue Service (IRS) concerning when and as to how much of the employee/employer withholdings would go to separate B.A. numbers. Mr. Parsons indicated that since there are no changes with regard to the employees of Natchez and NRI, or the withholding amounts of each, it would allow a seamless transition and eliminate the threat of penalties for both entities from the IRS.

Section 1(a)(1) of the Railroad Retirement Act (45 U.S.C. § 231(a)(1)), insofar as relevant here, defines a covered employer as:

- (i) any carrier by railroad subject to the jurisdiction of the Surface Transportation Board under Part A of subtitle IV of title 49, United States Code;

Section 1 of the RUIA (45 U.S.C. § 351) contains essentially the same definition, as does section 3231 of the Railroad Retirement Tax Act (26 U.S.C. § 3231).

The evidence of record establishes that NRI, formerly Natchez, is a rail carrier operating in interstate commerce. Accordingly, it is determined that Natchez Railway, LLC, became an employer within the meaning of section 1(a)(1)(i) of the Railroad Retirement Act and its corresponding provision of the Railroad Unemployment Insurance Act effective July 1, 2009, the date on which Natchez originally began operations. Further, the Board finds that the transition of Natchez, a limited liability company, to NRI, a railroad corporation, is essentially a name change only, and accordingly BA Number 5407 previously assigned to Natchez, is assigned to NRI. Accordingly, Form BA-3, Annual Report of Creditable Compensation, for employees of NRI must be reported under this BA Number.

Original signed by:

FOR THE BOARD  
Martha P. Rico  
Secretary to the Board