§ 489-j. Exemption factor. (a) In accordance with the policy of granting increasingly greater exemptions as the rate of earnings of a railroad company declines, the exemption factor for each railroad company shall be determined in accordance with its earnings ratio. For each railroad company the percentage indicated under "exemption factor" in the following table opposite the earnings ratio of such company shall be the exemption factor. If the earnings ratio of a railroad company does not coincide with a specific earnings ratio indicated in the table, the exemption factor for such company shall be determined by interpolation to the nearest tenth of one percent.

Earnings Ratio (Percent)	Exemption Factor (Percent)
10	0
9	5
8	10
7	15
6	20
5	30
4	40
3	50
2	60
1	80
0	80

(b) Notwithstanding the provisions of subdivision (a) of this section, for purposes of determining railroad ceilings for intrastate railroads for assessment rolls completed in two thousand three and thereafter, the percentage indicated under "exemption factor" in the table in this subdivision opposite the earnings ratio of the railroad company shall be the exemption factor for each railroad company. If the earnings ratio of a railroad company does not coincide with a specific earnings ratio indicated in the table in this subdivision, the exemption factor for such company shall be determined by interpolation to the nearest hundredth of one percent.

Earnings Ratio (Percent)	Exemption Factor (Percent)
12	0
11	5

10	10
9	15
8	20
7	25
6	30
5	35
4	40
3	50
2	60
1	80
0	85

(c) Notwithstanding the provisions of subdivision (b) of this section, whenever it shall appear that an exemption factor is decreasing more than one-tenth from the exemption factor established in the prior year, such decrease may not exceed one-tenth.