



# YOUR 1/4% IS 100% APPRECIATED



You can help the NTRA's federal legislative team advocate in Washington, D.C., by contributing to the NTRA ¼% Check-off Program when you buy or sell at major domestic thoroughbred sales.

The team relies on these funds to educate members of Congress and their staffs about the horse racing industry and to lobby for federal legislation that is important to your business. Current targets include:

- A permanent change to or an extension of 3-year depreciation for all racehorses
- Modernization of current federal tax reporting and withholding laws on certain winning wagers

Our chances for success in Washington are much improved with financial backing from industry stakeholders like you. So, we ask you to contribute to the NTRA ¼% Check-off Program at the 2017 yearling sales.

Contact Joe Bacigalupo, NTRA senior director of government relations and membership development, at [joeb@NTRA.com](mailto:joeb@NTRA.com) or 859-422-2677.

[www.SupportHorseRacing.org](http://www.SupportHorseRacing.org)

Say  
**YES!**

# INVESTMENT INCENTIVE SUMMARY



Two investment incentives that can benefit the industry remain in place for 2017, while others that expired may be renewed during the year.

## 1. 50% BONUS DEPRECIATION – Substantial write-offs on new property continue through 2017!

- For new property purchases; the original use of the property must commence with the taxpayer
- Examples of qualifying property can include yearlings and new tractors/farm equipment
- Qualifying property must be purchased and placed in service before 1/1/2018
- The full 50% bonus depreciation write-off is allowed regardless of when through 2017 the qualifying property is purchased and placed in service.
- Can be used in conjunction with the expense allowance as described below
- Changes to 40% for 2018 and 30% for 2019

## 2. \$500,000 EXPENSE ALLOWANCE – Permanently write off up to \$500,000 in new or used property!

- New or used property may qualify
- Qualifying property must be purchased and placed in service
- Can only be used to reduce taxable income derived from the horse business or any other business from which taxpayer has income, including salaries
- The expense allowance is reduced dollar for dollar once qualified investments exceed \$2 million
- Can be used in conjunction with bonus depreciation
- Now a permanent change

### ADDITIONAL INFORMATION

- The expense allowance and bonus depreciation can be used together – they are not mutually exclusive
- How do the benefits apply to bloodstock purchases?
  - Yearlings – bonus depreciation and expense allowance
  - Two-year-olds in training – possibly both (consult your tax advisor)
  - Pregnant broodmares – expense allowance
  - Barren broodmares – possibly expense allowance (consult your tax advisor)
  - Weanlings – neither because too young to be “placed in service” in horse business
  - Horses of racing age - expense allowance

Visit [www.SupportHorseRacing.org](http://www.SupportHorseRacing.org) for updates on the status of the expired 3-year depreciation for all racehorses.