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NTRA 1/4% Check-off Program



You can help the NTRA's legislative team advocate in Washington, D.C., by contributing to the NTRA 1/4% 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. See reverse for updated investment incentive information from the Tax Cuts and Jobs Act.

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 1/4% Check-Off Program at the 2018 yearling sales.

Contact Joe Bacigalupo, NTRA senior director of government relations and membership development, at joeb@NTRA.com or 859-422-2677.

Help us help horse racing in D.C.



www.SupportHorseRacing.org

Highlights from Tax Bill

The Tax Cuts and Jobs Act contains a number of provisions beneficial to horse breeders and owners.

The tax reform package benefits the horse racing industry by slashing corporate tax rates, reducing most individual tax rates, doubling the estate tax exemption from \$5 million to \$10 million (indexed for inflation), and generally providing special tax treatment for certain pass-through entities (sole proprietorships, partnerships, limited liability companies, and S corporations).

The package also includes significant and positive changes to depreciation and expensing of yearlings, breeding stock, farm equipment and other qualifying depreciable property. These include:

- **Bonus Depreciation.** An increase in bonus depreciation from 50 percent to 100 percent for both new and used property acquired and put into service after Sept. 27, 2017, and before Jan. 1, 2023. Bonus depreciation permits first-year, full expensing for purchases such as yearlings, breeding stock, and farm equipment. The new benefits will be effective at the 100 percent rate through 2022. Beginning with 2023, bonus depreciation will be phased out at a rate of 20% each year until fully phased out after 2027.
- **Sec. 179 Deduction.** The maximum amount that may be expensed under this provision has been increased from \$500,000 to \$1 million for new and used property. Additionally, the phase-out threshold for the deduction has been increased from \$2 million to \$2.5 million. Both the maximum deduction and phase-out amount are permanently extended and will be indexed for inflation.
- **Farm Property.** Machinery and equipment used in farming operations will be granted accelerated depreciation with a useful life of only five years and depreciation using the 200 percent declining balance method.

"At more than 700 pages, the tax reform bill and accompanying joint explanatory statement are enormous in both size and complexity," said NTRA President & CEO Alex Waldrop. "While the overall impacts on each individual will vary, in general many of the provisions should have a positive impact on the economics of horse racing and breeding."

The NTRA urges industry members to consult a tax professional on all related questions about this bill.

TAX BENEFIT	2018-2022	2023-2027
Bonus Depreciation Rate	100%	reduced by 20% each year
Sec. 179 Expense Deduction -Allowance: \$1 million -Phase-out level: \$2.5 million	Permanent	Permanent