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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 funds from the 1/4% Check-off Program to educate members of Congress and their staffs about the horse racing industry and to advocate for federal legislation that is important to your business. See reverse for current investment incentive information.

Our chances for success in Washington are much improved with financial backing from industry members like you. We ask you to contribute to the NTRA 1/4% Check-Off Program at the 2020 winter mixed 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.

**Help us help horse racing in D.C.**



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

# Tax Reform Highlights

The tax reform legislation contains a number of provisions beneficial to horse breeders and owners.

Tax reform 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.

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

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

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