



INVESTMENT INCENTIVES FOR BUYERS

100% Bonus Depreciation

- 100% bonus depreciation for qualifying horse, farm equipment and farm depreciable asset (land improvements, fencing, barns) purchases through 2022
- Property must be purchased and placed in service after 9/27/2017 and before 1/1/2023
- Property may be new or used
- Bonus depreciation is phased down by 20% per calendar year in taxable years beginning after 2022

Section 179 Expense Deduction

- Expense allowance for horse, farm equipment and farm depreciable asset (land improvements, fencing, barns) purchases is permanent at \$1.05 million for 2021 (having started at \$1 million and indexed for inflation beginning after December 31, 2018)
- Limited to taxable income
- Property must be purchased and placed in service to qualify
- Applies to new or used property
- Reduced by one dollar for each dollar of eligible property purchased that exceeds \$2.62 million in 2021 (having started at \$2.5 million and indexed for inflation beginning after December 31, 2018)



**LEGISLATIVE
ACTION CAMPAIGN**

*For more information, contact Joe Bacigalupo
joeb@NTRA.com or 859-422-2677.*

THREE-YEAR RACEHORSE DEPRECIATION EXTENDED THROUGH 2021

Three-year racehorse depreciation for all racehorses continues through 2021. This schedule allows taxpayers to depreciate, on a three-year schedule, racehorses less than 24 months of age when purchased and placed in service.

Three-year Racehorse Depreciation Continues

- Continuation of three-year depreciation schedule for all young racehorses
- Yearling purchases are eligible for 3-year depreciation
- Effective through 2021

3-Year Schedule

(4 tax years)

Yr.	Depreciation
1	\$33,330 (33.33%)
2	\$44,450 (44.45%)
3	\$14,810 (14.81%)
4	\$7,410 (7.41%)

7-Year Schedule

(8 tax years)

Yr.	Depreciation
1	\$14,290 (14.29%)
2	\$24,490 (24.49%)
3	\$17,490 (17.49%)
4	\$12,490 (12.49%)
5	\$8,930 (8.93%)
6	\$8,920 (8.92%)
7	\$8,930 (8.93%)
8	\$4,460 (4.46%)

*These schedules assume the half-year convention applies, meaning all horses placed in service during the year are deemed to be placed in service on July 1. (If more than 40% of the cost of depreciable property placed in service during the year is placed in service in the last quarter of the year, a different rule applies). The schedule uses 200% declining balance depreciation (150% is available if preferred by taxpayer).

CONTRIBUTE

NTRA 1/4% Check-off Program



Help us help horse racing in D.C.

www.SupportHorseRacing.org

