

INVESTMENT INCENTIVE SUMMARY FOR 2025

Attractive investment incentives are in place this year for those preparing to purchase bloodstock and other depreciable assets. The NTRA encourages buyers to speak with a tax professional to learn how these incentives can help maximize buying power.

Bonus Depreciation

- 100% bonus depreciation is now permanent for qualifying horse, farm equipment and farm depreciable asset (land improvements, fencing, barns) purchases
- Qualified property must be purchased and placed in service after January 19, 2025 (purchases from January 1-19 fall under a 40% bonus depreciation rate)
- Qualified property must be used predominantly in the U.S.
- Bonus depreciation may be used to create or increase a loss, is not limited to a specific dollar amount annually and is not prorated based on purchase date

Section 179 Expense Deduction

- Expense deduction for horse, farm equipment and farm depreciable asset (land improvements, fencing, barns) purchases is permanent at \$2.5 million effective taxable years beginning after December 31, 2024 (the \$2.5 million threshold will be adjusted annually for inflation beginning after December 31, 2025)
- Limited to taxable income
- Property must be purchased and placed in service to qualify
- Expense deduction is reduced by \$1 for each dollar of qualifying property purchased that exceeds \$4 million in 2025 (the \$4 million threshold will be adjusted annually for inflation beginning after December 31, 2025)



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

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