



ADVOCACY • INTEGRITY • LEADERSHIP

Secretary Scott Bessent
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Secretary Bessent,

I am submitting this testimony on behalf of the Thoroughbred racing community. The National Thoroughbred Racing Association (NTRA) is a broad-based coalition of more than 100 horse racing interests and thousands of individual stakeholders consisting of racetrack operators, owners, breeders, trainers, horseplayers, and affiliated horse racing associations. The Thoroughbred industry accounts for nearly 500,000 jobs, an annual economic impact of \$36.6 billion and millions of acres of greenspace touching every region of the United States.

On July 4, 2025, President Donald Trump signed into law the One Big Beautiful Bill Act ("OBBBA"). One of the primary goals of the OBBBA was to reduce the tax burden on Americans. To offset any lost revenue, Congress modified numerous existing provisions of the Internal Revenue Code. One such modification, which became effective January 1, 2026, decreased the gambling loss deduction allowed by section 165(d) from 100% to 90%.

This law, which had previously remained unchanged for 70 years, could result in individuals paying taxes on net income they didn't realize. Already, we are seeing firsthand the negative impacts on the Thoroughbred racing industry. Through June, U.S. pari-mutuel handle is down \$44,980,309 (-4.7%) from the corresponding period in 2025.

While the gambling tax deduction changes were disappointing and harmful to our industry, there is a bipartisan effort underway to remedy the situation. Bills that would return the deduction back to 100% have been introduced in the House of Representatives and the Senate. Legislation in the House has been referred to the House Ways and Means Committee, where Chairman Jason Smith (R-MO) supports restoring the deduction.

We respectfully request that the U.S. Treasury and IRS urge Congress to restore the gambling loss provision to its previous level.

Please feel free to reach out with any questions.

Sincerely,

Thomas J. Rooney
President and CEO
National Thoroughbred Racing Association

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