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January 11, 2017

SUBMITTED ELECTRONICALLY

Internal Revenue Service
Attn: CC:PA:LPD:PR (REG-123841-16)
1111 Constitution Avenue, N.W.
Room 5203
Washington, D.C. 20224
<http://www.regulations.gov/>

Re: Request for Comments on Pari-Mutuel Gambling in REG-123841-16

Dear Sir or Madam:

We are writing on behalf of the National Thoroughbred Racing Association in response to the proposed regulations (REG-123841-16) published by the Department of the Treasury (“Treasury”) and the Internal Revenue Service (the “Service”) on December 30, 2016 that amend the existing regulations under Treas. Reg. sec. 31.3402(q)-1 for pari-mutuel wagering.

The National Thoroughbred Racing Association (NTRA) is a broad-based coalition representing all segments of the Thoroughbred horse racing industry, including more than 100 horse racing organizations and thousands of individual stakeholders consisting of horseplayers, racetrack operators, owners, breeders, trainers and affiliated horse racing organizations.

NTRA would like to thank Treasury and the Service for expeditiously publishing the proposed regulations in response to the comments it received in connection with the regulation project REG-132253-11. We appreciate Treasury’s and the Service’s efforts to understand the challenges the horse racing industry faces under the existing regulations. As we discussed in our prior comment letter, the existing regulations need to be modernized to ensure that both the withholding and reporting of winnings from pari-mutuel wagering accurately and fairly reflect the realities of wagering today. In this regard, NTRA believes that the proposed regulations address these concerns

We concur with the statement in the Supplementary Information section that these proposed regulations will not have a significant economic impact on small business because the proposed regulations merely provide guidance regarding withholding and reporting requirements that are imposed by statute and not regulation. Moreover, the proposed regulations will not only promote greater compliance and more accurate reporting by taxpayers but also reduce burdensome and needless paperwork system-wide.

Furthermore, with horseracing’s all-important Triple Crown season fast approaching, the NTRA urges Treasury and the Service to adopt the proposed regulations as final regulations as soon as it

is administratively feasible. Horseplayers, tracks and other industry stakeholders including governments are eager to begin reaping the benefits that will result from these updated withholding and reporting rules.

If you have any questions, please do not hesitate to contact the undersigned at the NTRA offices: 859-422-2602 or awaldrop@ntra.com.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Waldrop". The signature is fluid and cursive, with a large initial "A" and a stylized "Waldrop".

Alexander M. Waldrop
President and CEO