

109TH CONGRESS
1ST SESSION

H. R. 4151

To amend the Internal Revenue Code of 1986 to provide for the tax treatment of horses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 26, 2005

Mr. LEWIS of Kentucky (for himself, Mr. ROGERS of Kentucky, Mr. CHANDLER, Mr. WHITFIELD, and Mr. DAVIS of Kentucky) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide for the tax treatment of horses, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Equine Equity Act
5 of 2005”.

1 **SEC. 2. 3-YEAR DEPRECIATION FOR ALL RACE HORSES.**

2 (a) IN GENERAL.—Clause (i) of section 168(e)(3)(A)
3 of the Internal Revenue Code of 1986 (defining 3-year
4 property) is amended to read as follows:

5 “(i) any race horse,”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to property placed in service on
8 or after July 28, 2005.

9 **SEC. 3. REDUCTION OF HOLDING PERIOD TO 12 MONTHS**
10 **FOR PURPOSES OF DETERMINING WHETHER**
11 **HORSES ARE SECTION 1231 ASSETS.**

12 (a) IN GENERAL.—Subparagraph (A) of section
13 1231(b)(3) of the Internal Revenue Code of 1986 (relating
14 to definition of property used in the trade or business)
15 is amended by striking “and horses”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to taxable years beginning after
18 December 31, 2005.

19 **SEC. 4. LIVESTOCK ASSISTANCE.**

20 (a) IN GENERAL.—In carrying out a livestock assist-
21 ance, compensation, or feed program, the Secretary of Ag-
22 riculture shall include horses within the definition of “live-
23 stock” covered by the program.

24 (b) CONFORMING AMENDMENTS.—

25 (1) Section 602(2) of the Agricultural Act of
26 1949 (7 U.S.C. 1471(2)) is amended—

1 (A) by inserting “horses,” after “bison,”;
2 and

3 (B) by striking “equine animals used for
4 food or in the production of food,”.

5 (2) Section 806 of the Agriculture, Rural De-
6 velopment, Food and Drug Administration, and Re-
7 lated Agencies Appropriations Act, 2001 (Public
8 Law 106–387; 114 Stat. 1549A–51) is amended by
9 inserting “(including losses to elk, reindeer, bison,
10 and horses)” after “livestock losses”.

11 (3) Section 10104(a) of the Farm Security and
12 Rural Investment Act of 2002 (7 U.S.C. 1472(a)) is
13 amended by striking “and bison” and inserting
14 “bison, and horses”.

15 (4) Section 203(d)(2) of the Agricultural As-
16 sistance Act of 2003 (Public Law 108–7; 117 Stat.
17 541) is amended by striking “and bison” and insert-
18 ing “bison, and horses”.

19 (c) APPLICABILITY.—

20 (1) IN GENERAL.—This section and the amend-
21 ments made by this section apply to losses resulting
22 from a disaster that occurs on or after July 28,
23 2005.

24 (2) PRIOR LOSSES.—This section and the
25 amendments made by this section do not apply to

1 losses resulting from a disaster that occurred before
2 July 28, 2005.

3 **SEC. 5. ELIGIBILITY OF HORSE BREEDERS FOR EMER-**
4 **GENCY LOANS.**

5 Section 321(d) of the Consolidated Farm and Rural
6 Development Act (7 U.S.C. 1961) is amended—

7 (1) by striking “and” at the end of paragraph
8 (1);

9 (2) by striking the period in paragraph (2) and
10 inserting “; and”; and

11 (3) by adding at the end the following:

12 “(3) ‘Farmers, ranchers’ and ‘farming, ranch-
13 ing’ includes the production of horses.’”.

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