

110TH CONGRESS
1ST SESSION

S. 1251

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

IN THE SENATE OF THE UNITED STATES

APRIL 30, 2007

Mr. MCCONNELL (for himself, Mrs. LINCOLN, and Mr. BUNNING) introduced the following bill; which was read twice and referred to the Committee on Finance

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 2007”.

6 SEC. 2. 3-YEAR DEPRECIATION FOR ALL RACE HORSES.

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

10 “(i) any race horse.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to property placed in service on
3 or after the date of the enactment of this Act.

4 **SEC. 3. REDUCTION OF HOLDING PERIOD TO 12 MONTHS**
5 **FOR PURPOSES OF DETERMINING WHETHER**
6 **HORSES ARE SECTION 1231 ASSETS.**

7 (a) IN GENERAL.—Subparagraph (A) of section
8 1231(b)(3) of the Internal Revenue Code of 1986 (relating
9 to definition of livestock) is amended by striking “and
10 horses”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 this section shall apply to taxable years beginning after
13 December 31, 2007.

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