

119TH CONGRESS
1ST SESSION

H. R. 1112

To amend the Internal Revenue Code of 1986 to reduce the holding period used to determine whether horses are section 1231 assets to 12 months.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2025

Mr. BARR (for himself and Mr. MCGARVEY) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to reduce the holding period used to determine whether horses are section 1231 assets to 12 months.

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 “Racehorse Tax Parity
5 Act”.

1 **SEC. 2. REDUCTION OF HOLDING PERIOD TO 12 MONTHS**
2 **FOR PURPOSES OF DETERMINING WHETHER**
3 **HORSES ARE SECTION 1231 ASSETS.**

4 (a) IN GENERAL.—Subparagraph (A) of section
5 1231(b)(3) of the Internal Revenue Code of 1986 is
6 amended by striking “and horses”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to taxable years beginning after
9 December 31, 2024.

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