

Senate Passes Farm Bill with Provisions Helpful to Horses

American Horse Council - Washington Update - Press Release



Following weeks of debate, the Senate passed its Farm Bill on December 14 on a vote of 79 to 14. The \$286 billion bill includes several provisions that would benefit the horse industry.

Tax Changes.

The Senate Farm Bill includes the Equine Equity Act. Senator Mitch McConnell (R-KY) offered this bill, introduced by him and Senators Jim Bunning (R-KY) and Blanche Lincoln (D-AR), as an amendment to the Farm Bill and it was accepted without objection. This provision would: (1) shorten the capital gains holding period for horses from 24 months to 12 months; and (2) place all racehorses in the three-year category for depreciation purposes.

Horses Eligible for Federal Assistance.

The bill also includes two provisions

that would make horse owners involved in production agriculture eligible for additional federal programs that are administered by the U.S. Department of Agriculture in the aftermath of a natural disaster. Senators McConnell and Bunning were critical to the inclusion of horses in these two provisions.

The first provision would make horse breeders eligible for federal emergency loans for the first time by including "equine farmers and ranchers" within the class of eligible producers.

The second provision institutes a permanent disaster relief fund that would provide payments to farmers and ranchers who suffer losses in areas that are declared disaster areas by USDA. This provision specifically includes "horses" within the

definition of livestock eligible for the program.

Senate-House Conference

Required.

The House passed its version of the Farm Bill last summer. The House bill does not include the provisions described above applicable to horse owners and is quite different from the Senate Farm Bill in many other respects. A conference between House and Senate members will be necessary to work out these differences in the second session of this Congress, which begins in January. The bill that results from that conference will have to be passed by both the House and Senate and then signed by the President. President Bush has threatened to veto both versions of the Farm Bill as too expensive.