

## RACING TAX LAWS

### Section 1111 - Sales Tax

(g) The sale of race horses made through claiming races within the state, shall be subject to sales tax but only on such portions of the total purchase price that exceed the highest of any prior purchase prices paid for the same horse during the same calendar year within the state. Where no previous purchases have been made within a calendar year, the full purchase price shall be taxable. Officials of all race tracks in the state shall maintain and make available, upon reasonable request, accurate and detailed lists of such sales.

### Section 1115 § 1115. Exemptions from sales and use taxes

(29) a horse which is a racehorse registered with the jockey club, the United States trotting association or the national steeplechase and hunt association (or such a horse during the first twenty-four months of its life if it is eligible to be so registered) which is purchased or used with the intent that it shall be entered in an event on which pari-mutuel wagering is authorized by law, except that the exemption provided for under this paragraph shall not apply to any such horse which is considered to be at least four years old and has never raced in an event on which pari-mutuel wagering is authorized by law. Provided, further, the purchaser of such a racehorse must give to the seller a certification containing such information as the commissioner of taxation and finance shall require, which shall include a statement to the effect that the purchaser intends to enter such horse in events on which pari-mutuel wagering is authorized by law. Such certification shall be retained by such seller, together with documentary proof of the age of such horse, for a three-year period. The provisions of this paragraph shall apply to all sales and uses of racehorses occurring on and after June first, nineteen hundred ninety-four.

(m) (1) The services of training and maintaining a racehorse to race in a race or race meeting held, maintained or conducted pursuant to the racing, pari-mutuel wagering and breeding law or a similar law of another state, when the services are rendered to the owner of the racehorse by a trainer of the racehorse, shall be exempt from tax under this article;

(2) Tangible personal property actually transferred by a trainer to the owner of the racehorse in conjunction with the rendering of a service that is exempt under paragraph one of this subdivision shall be exempt from tax under this article. However, the sale to a trainer of such a racehorse of any such tangible personal property or such services taxable under this article shall not be deemed a sale for resale within the meaning of paragraph four of subdivision (b) of section eleven hundred one and shall not be exempt from retail sales or compensating use tax;

(3) For purposes of this subdivision, a trainer means a horse trainer licensed under the racing, pari-mutuel wagering and breeding law or a similar law of another state, and a racehorse means a horse registered with the jockey club, the United States trotting

association, American quarterhorse association or the National steeplechase and hunt association or a horse, during the first twenty-four months of its life, if it is eligible to be so registered.

#### Section 1118 - More Exemptions

(9) In respect to the use of a thoroughbred, standardbred or quarter horse purchased outside the state and brought into the state for the purpose of entering a racing event or events on which pari-mutuel wagering is authorized by law, and to prepare therefor. Provided, however, that the exemption contained in this subdivision shall not apply to any such horse which enters racing events in this state on more than five days in any one calendar year. Nothing contained herein shall alter the exemption provided to nonresidents, as specified in subdivision two of this section.

(10) In respect to the use of horses purchased outside the state and brought into the state for racing to the extent that the value of the horse exceeds one hundred thousand dollars. On or before December fifteenth, nineteen hundred eighty-five, and December fifteenth, nineteen hundred eighty-six, the board shall report to the director of the budget, the chairman of the senate finance committee and the chairman of the assembly ways and means committee concerning the benefits or costs associated with the provisions of this subdivision, an assessment of any economic impact and appropriate recommendations. The commissioner of taxation and finance shall provide to the board such reports as are necessary to effect the board's mandate.

#### McKinney's Racing, Pari-Mutuel Wagering and Breeding Law § 219

MCKINNEY'S CONSOLIDATED LAWS OF NEW YORK ANNOTATED RACING, PARI-MUTUEL WAGERING AND BREEDING LAW CHAPTER 47-A OF THE CONSOLIDATED LAWS ARTICLE II--THOROUGHBRED RACING AND BREEDING Copr. © West Group 1999. All rights reserved.

#### § 219. State tax

1. Every corporation, association or person holding a race meeting pursuant to this article shall collect in addition to the admission price of tickets sold or otherwise disposed of, for each such meeting held by such corporation, association or person, a tax equivalent to four per centum of such admission price which tax is hereby imposed. In case of failure to collect such tax the same shall be imposed upon the corporation, association or person holding the race meeting. Such tax shall be paid to the state tax commission within ten days after the close of each such race meeting, provided, however, that if the race meeting continues for a period of more than thirty days the tax shall be paid at such regular intervals as the tax commission may require. The payment of tax shall be accompanied by a report under oath showing the total of all such taxes, together with such other information as the tax commission may require. The amounts so collected shall be paid into the state treasury to the credit of the general fund to be appropriated up to the extent of two hundred thousand dollars annually by the legislature for the benefit of agricultural fairs entitled to share in the distribution of moneys for agricultural purposes. Before any

corporation, association or person liable to pay the tax hereby imposed shall hold any race meeting, or exercise any of the powers conferred by section two hundred four of this chapter, they shall pay all taxes theretofore due; and shall file a statement with the tax commission containing the name of the place and stating the time when such races are to be held. Nothing in this section shall apply to a race meeting conducted by any state, county or other agricultural association.

2. The tax commission shall have the power to examine or cause to be examined the books and records of the corporation, association, person or persons so conducting any such race meeting, and may hear testimony and take proofs material for its information; and therefrom or from any other data which shall be satisfactory to it the tax commission may order and state an account for the tax due the state, together with the expense of such examination. A penalty of five per centum and interest at the rate of one per centum per month from the due date to the date of payment of the tax shall be payable in case any tax

McKinney's Racing, Pari-Mutuel Wagering and Breeding Law § 228

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§ 228. Disposition of pari-mutuel pools; percentage payable to state as a tax; authority of counties or certain cities to impose a tax