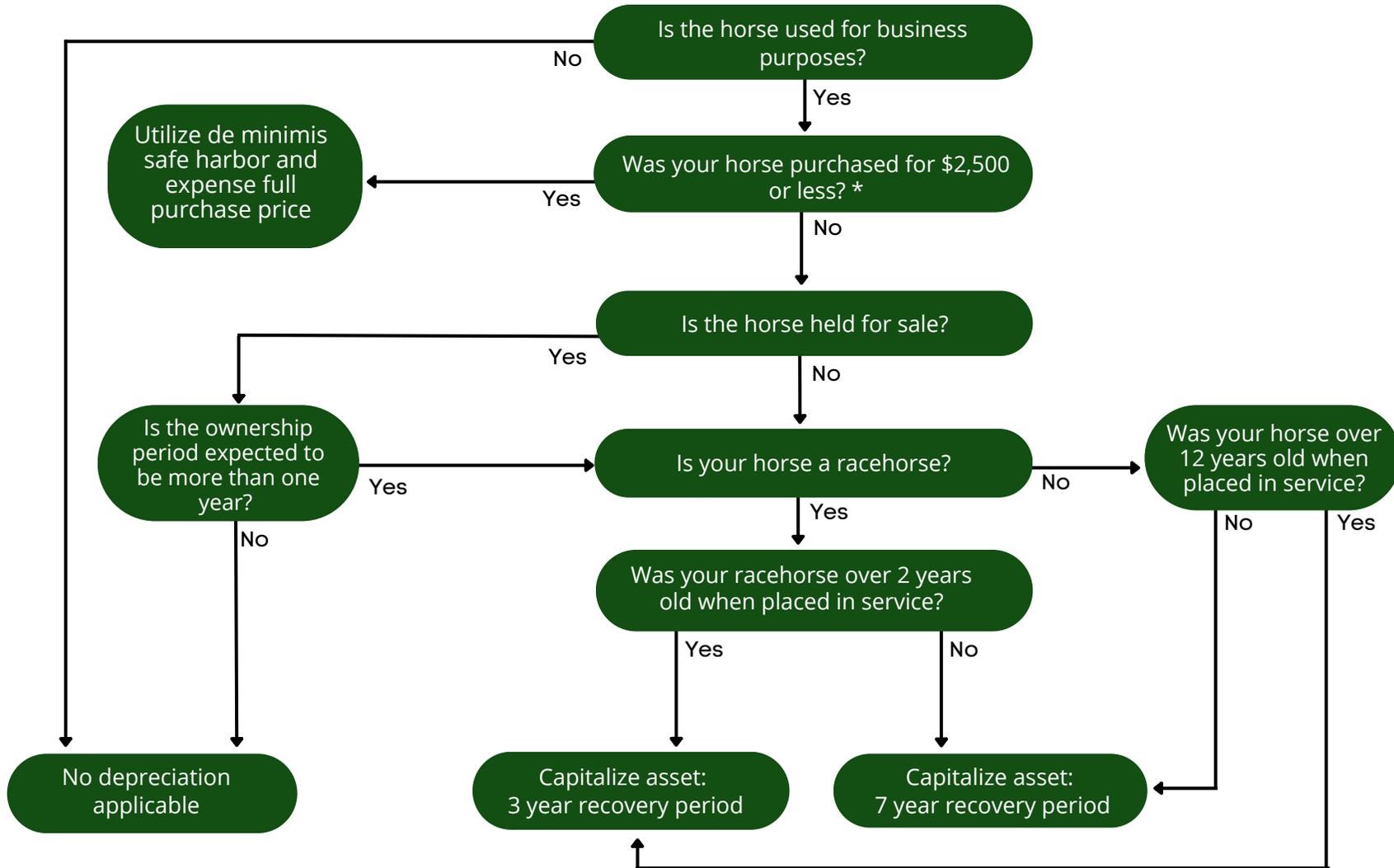


HORSE DEPRECIATION BY AGE AND PURPOSE

DECISION TREE

When horses are used in a trade or business, this decision tree will assist you in determining how to report it for income tax purposes.



Note: Racehorses placed in service after December 31, 2008 and before January 1, 2022, regardless of age, are three-year property.

* This amount could be \$5,000 if the business has applicable financial statements. This is not applicable for most small business owners.