State of California

BOARD OF EQUALIZATION

# PROPERTY TAX RULES

Division 1. State Board of Equalization-Property Tax
Chapter 12. Racehorse Tax

### Rule 1046. Horses Subject to Ad Valorem Taxation.

*Authority:*    Section 15606, Government Code; and Section 5781, Revenue and Taxation Code.
*Reference:*    Sections 5703, 5710, 5711 and Part 12, Division 1, Revenue and Taxation Code; and Sections 19409, 19413.5, 19416, 19416.5 and 19416.7, Business and Professions Code.

A horse over three years of age, or over four years of age in the case of an Arabian horse, that, in the two previous calendar years, has neither participated in a horserace contest on which parimutuel wagering is permitted nor been used for breeding purposes in order to produce a racehorse eligible to participate in a horse race contest on which parimutuel wagering is permitted is not a racehorse within the meaning of part 12 of division 1 of the Revenue and Taxation Code. Any such horse is subject to ad valorem taxation unless otherwise exempt.

**(a)** A horse used for breeding purposes means a registered male animal that has serviced three or more registered females for the purpose of producing a racehorse during the two previous calendar years or a registered female animal that has been bred to a registered male for the purpose of producing a racehorse during the two previous calendar years.

**(b)** In order to qualify as a racehorse a horse must be registered or eligible to be registered with an agency recognized by the California Horse Racing Board. Agencies currently recognized are as follows:

| *Agency* | *Breed* |
|---|---|
| The Jockey Club | Thoroughbred |
| The American Quarter Horse Association | Quarter Horse |
| The United States Trotting Association | Standardbred |
| The Appaloosa Horse Club | Appaloosa Horse |
| The Arabian Horse Registry of America | Arabian Horse |

*History:*    Adopted October 26, 1972, effective December 1, 1972.
Amended May 1, 1974, effective June 1, 1974.
Amended June 16, 1987, effective September 26, 1987.
Chapter name amended March 28, 2017, effective May 15, 2017