
Based on estimates supplied by the state, this practice has cost the Kentucky almost $220 million in lost revenue from 2004 to 2010. For example, Sheikh Mohammed bin Rashid al Maktoum of Dubai, Kentucky’s top buyer of thoroughbreds, has purchased more than $60 million in broodmares at Keeneland’s fall sales since 2002. Id. Had these purchases been taxed at Kentucky’s
rate of six percent, they would have generated more than $3.6 million by themselves. Id. During this
time of budget short-falls and overall cut-backs in our state, some suggest that it is time to reevaluate
Kentucky's tax code.

However, others worry that taxing more sales would cost Kentucky a competitive edge in the
horse industry, which is already hurting. Those in the horse industry are afraid that if Kentucky
imposes a sales tax, buyers will simply go to other states that offer exemptions, including Maryland,
New York, California, Florida, Pennsylvania and Texas. Id. Additionally, those who support keeping
the tax exemptions point out that the horse industry is taxed in ways that other agriculture sectors
are not. Jay Blanton, spokesman for Keeneland, explained "that sales of many horses, including
those of thoroughbreds, are taxed, and that horse farms pay sales taxes that other agricultural enterprises
don't. Feed and hay for cattle, for instance, are exempt while the same products for homes are taxed." Id.

During these continued tough economic times for people in Kentucky and across the country, these
issues regarding tax reform are surely to be debated by our legislators in the near future.