

## Rep. Barr – Testimony

### Equine Tax Items:

- H.R. 2926 – Race Horse Cost Recovery Act
  - This legislation makes permanent the modification of the accelerated depreciation allowance for racehorses to allow a three-year recovery period for any racehorse.
- H.R. 2927 – Racehorse Tax Parity Act
  - The Racehorse Tax Parity Act would shorten the holding period for racehorses to be considered eligible for long-term capital gains treatment from 24 months to 12 months.

### Bourbon Tax Items:

- H.R. 40773 – Duty Drawback Clarification Act
  - This bill clarifies that all whiskey products are commercially interchangeable and eligible for the drawback program by creating a single 8-digit Harmonized Tarriff Schedule code for whiskeys.
  - Under the current HTS, spirits categories such as whiskeys, have several HTS numbers at the 8-digit level. For example, scotch Whiskey and Bourbon each have their own HTS codes at the 8-digit level, meaning these products are not “commercially interchangeable” for purposes of a drawback claim.
- EU Trade Tariffs
  - We must secure the permanent return to zero-for-zero tariffs on spirits with the EU before the scheduled reintroduction of the 25% retaliatory tariff on American Whiskeys on Jan. 1, 2024.

### Other Tax Items:

- H.R. 4055 – Opportunity Zones Enhancement Act of 2023
  - This bill would create a tax exemption on interest income earned by a taxpaying bank from loans extended to qualified businesses operating in Opportunity Zones. This legislation also incentivizes future investment in Opportunity Zones by limiting the maximum deduction to match the taxpaying banks retained earnings up to \$5 million.
- H.R. 2673 – American Innovation and R&D Competitiveness Act of 2023
  - This bill eliminates the five-year amortization requirement for R&D expenditures, thus allowing continued expensing of such expenditures in the taxable years in which they are incurred.

### CMSCA:

- My bill, HR 760 the Chinese Military and Surveillance Company Sanctions Act of 2023, will combat the rise of the Chinese Communist Party (CCP) and obstruct its desire to usurp the United States as the world’s preeminent economic, military and technological power.
- Specifically, the bill applies financial and property blocking sanctions to prevent any U.S. capital from going to companies in China that are classified by the United States Treasury as Chinese military and surveillance companies with ties to the People’s Liberation Army—the military wing of the Chinese Communist Party.
- OFAC has a long track record of successfully leveling sanctions against malign actors. This bill does not create some new onerous regime, but instead uses existing authorities to target Chinese companies operating in the military and surveillance space that threaten US national security.