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## Public Protection Cabinet

KENTUCKY HORSE RACING COMMISSION  
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### KENTUCKY HORSE BREEDERS INCENTIVE FUND (KHBIF) “Frequently Asked Questions”

#### ***How is the incentive money generated?***

The incentive money is generated from sales taxes paid for breeding a stallion to a mare in Kentucky. This is not a new tax; it is the same tax that has been required to be paid on stud fees. Prior to the establishment of the KBIF, the tax went directly into the General Fund of the Commonwealth – not back to the horse industry. For all tax receipts collected under KRS 139.531(1)(a), seven percent (7%) is allocated to the KHBIF.

#### ***How is the money divided among the non-race breeds?***

Pursuant to [811 KAR 2:120](#) (Section 3), the amount allocated to a Kentucky affiliate participating in the KHBIF is calculated using the following formula:

- (a) Dividing the number of horses of the breed twenty-five (25) years of age and younger and currently residing in Kentucky as certified by the national breed organization pursuant to Section 2(13)(c) of this administrative regulation, by the total number of horses from all Kentucky affiliates certified pursuant to Section 2(13)(c) of this administrative regulation. The number of horses in each case shall be the number of horses recorded on each Kentucky affiliate’s application form on the December 31 deadline preceding the three (3) year



registration period; and (b) Multiplying the fraction obtained in paragraph (a) by the total amount of money allocated to all Kentucky affiliates during the year.

***What forms do I need to properly report my stallion sales tax?***

You will need to contact the Kentucky Department of Revenue for the appropriate forms and contacts for submission. (<http://revenue.ky.gov/>)

***What breeds currently qualify for non-race incentive funds?***

Kentucky Appaloosa Owners Association [KAOA]  
Kentucky Arabian and Half-Arabian Breeders Alliance [KAHABA]  
Kentucky Mountain Saddle Horse Association [KMSHA]  
Kentucky Miniature Horse Breeders Club [KMHB]  
Kentucky Paint Horse Club [KPHC]  
Kentucky Quarter Horse Association [KyQHA]  
Rocky Mountain Horse Association [RMHA]  
Kentucky Saddlebred Owners & Breeders Association [KSOBA]  
South Central Hackney Association [SCHA]  
Kentucky Walking Horse Breeder Incentive Fund [KWHBIF]  
Mountain Pleasure Horse Association [MPHA]

***Who do I contact with questions regarding the KHBIF?***

If you have questions related specifically to the breed's nomination/registration process, points, awards, eligibility or have a change of address—please, contact the Kentucky affiliate for the breed in which you are inquiring. Contact information for each Kentucky affiliate can be found on our website:

[Kentucky Affiliate Contact Information](#)

If the question is related to the statute or regulation or any other general question regarding the fund, please contact Drew Conners, within the Division of Incentives & Development by calling 888-KYBREDS or email at [drew.conners@ky.gov](mailto:drew.conners@ky.gov)



**How much money does each breed get?**

It depends on the total dollars allocated to the KHBIF from the tax paid on breeding a mare to a stallion in Kentucky. The following amounts were distributed during Period III 2012-2014:

<i>KHBIF operates in 3-year cycles</i>	<i>Period III</i>		
	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Kentucky Appaloosa Owners Association, Inc.</b>	\$25,603	\$25,664.00	\$26,325.00
<b>Kentucky Arabian &amp; Half Arabian Breeders Alliance</b>	\$48,255	\$48,370.00	\$49,617.00
<b>Kentucky Miniature Horse Breeders Club</b>	\$36,947	\$37,036.00	\$37,990.00
<b>Kentucky Morgan Horse Association</b>	\$7,304	\$7,322.00	N/A
<b>Kentucky Mountain Saddle Horse Association of KY</b>	\$103,989	\$104,238.00	\$106,924.00
<b>Kentucky Paint Horse Club</b>	\$63,577	\$63,730.00	\$65,372.00
<b>Kentucky Quarter Horse Association</b>	\$230,160	\$230,711.00	\$236,657.00
<b>Rocky Mountain Horse Association</b>	\$39,986	\$40,081.00	\$41,114.00
<b>Kentucky Saddlebred Owners and Breeders Association</b>	\$68,238	\$68,401.00	\$70,164.00
<b>South Central Hackney Association</b>	\$8,526	\$8,546.00	\$8,767.00
<b>Kentucky Walking Horse Breeders Incentive Fund</b>	\$217,255	\$217,776.00	\$223,388.00
<b>Overall Totals Distributed by Year:</b>	\$849,840	\$851,875.00	\$866,318.00

**When is the next application period for new breeds?**

The next application period is for Period V, which will cover 2018, 2019 & 2020. The application period will take place from November 1<sup>st</sup>, 2017 – December 31<sup>st</sup>, 2017.

**What information should be provided to apply as a new non-race breed?**

The information required can be found in Section 2 of the KHBIF regulation: [811 KAR 2:120](#).



***How do I know if my horse is eligible?***

Please contact the Kentucky affiliate for the breed of the horse that you are inquiring about. Contact information for each Kentucky affiliate can be found on our website:

[Kentucky Affiliate Contact Information](#)

***When will I receive my award incentive money?***

Claim Forms will be distributed during the calendar year; one year after points are awarded.

(example: Points earned in 2015 will be distributed, awarded and paid in 2016)

Claim Forms must be filled out ***completely*** and returned to:

**Kentucky Horse Racing Commission**

**Attn. Drew Conners**

**4063 Iron Works Pkwy. Building B**

**Lexington, KY 40511**

***\*\*Please allow up to 4 weeks for processing once claim forms are received.\*\****

***What information will I be asked to provide to receive my incentive award?***

Name, address, email address, phone number, social security number or tax id number and signature.

***Claim forms cannot be processed for payment without a valid tax ID or SSN!***

***Do you accept faxed applications and signatures?***

Yes.

**Fax To: Attn. Drew Conners**

**(859) 246-2887**



***How do I know that personal information such as tax id's, social security numbers and similar types of information will not be shared?***

The KHRC is an executive branch agency and must comply with the Open Records Act, KRS 61.870, *et seq.* Pursuant to KRS 61.878(1)(a), “public records containing information of a personal nature where the public disclosure thereof would constitute a clearly unwarranted invasion of personal privacy” are exempt from disclosure under the Open Records Act. The Kentucky Attorney General and Kentucky courts have consistently held that a person’s name, address, telephone number, social security number and Federal Employer Identification Number constitute information of a “personal nature” to which an individual has some expectation of privacy and are therefore exempt from disclosure.

***I am a partner in the ownership of a horse, who will receive the incentive check?***

The state will issue one check in the name of the partnership. It is the partnership’s responsibility to distribute the funds.

