

Exhibit VIII.A.13 – Tax Audit

Submit as Exhibit VIII.A.13. a description of any delinquencies in the payment of or in dispute over the filings concerning or the payment of any fees or tax required under any Federal, state or municipal law within the past ten (10) years by an Applicant Party.

IL Income Tax for 2002-2005

When considering the revenue component of the apportionment calculation for Illinois (and all other states), Churchill Downs Incorporated (“CDI”) historically looked to the commissions that it receives on pari-mutual wagering as well as other revenue. The State of Illinois is claiming that CDI should look at handle rather than commissions despite the fact that pursuant to statute, CDI does not have any right to any of the handle beyond the commission that it receives. CDI has paid the tax and has filed for a refund in tax court. CDI expects this issue to be resolved later in 2014 or early 2015.

IL Income Tax for 2009-2010

This is an audit that is open pending the outcome of the 2002-2005 case.

California 2005

The State of California originally denied a claim for a worthless stock deduction. CDI filed a claim in tax court and subsequently learned that the State conceded the case. The issue was settled and CDI received the refund expected.

Florida 2009 – 2011

The State of Florida is currently auditing CDI’s sale & use tax returns. There are several issues that are being addressed but CDI believes that the total liability will be close to \$0, but could be as high as \$150,000. In addition, the State of Florida just completed a communications tax audit in which CDI paid approximately \$76,000 and are considering appealing this assessment.

