

# GOLFDOM's

## Opinion Survey

In August, Congress passed and Pres. Eisenhower signed the Excise Tax Technical Changes Act which will result in removal, after Jan. 1, of the 20 per cent club dues tax assessment for construction or reconstruction of any social or sporting facility. The Act also removes the tax assessment for construction or reconstruction of any capital addition to or improvement of such facility. This applies to club houses, maintenance and other buildings, swimming pools, tennis courts and golf courses.

Purchase of land for building courses, however, will not be exempt from the 20 per cent tax, nor will uses of funds for purchase of existing facilities.

To get a broad and expert view of the effect the Technical Changes Act will have on the construction of new courses and improvements in or expansion of older ones, GOLFDOM has queried several course architects as to their thoughts on the matter. Their observations appear below.

**Alfred H. Tull, Larchmont, N. Y.** — It should now be possible to form a club with the membership equity fee attractive enough to more readily produce funds for organization expense and required equity in the property. First class metropolitan clubs spend from \$700,000 to \$1,000,000 for their facilities and the new tax savings of as high as perhaps \$200,000 certainly should be an inducement for them to build, especially if they have been contemplating doing so.

Also, I think there will be less hesitancy

### Repeal of Excise Tax Will Lead to More Building But Windfall Won't Go Into Courses: Architects

among older clubs in moving to new locations if there has been any movement or agitation in this direction. The tax assessment on the purchase of land, of course, is still in effect but what amounts to a 20 per cent reduction in construction costs of course and clubhouse should give quite a few of them the green light.

I am not sure whether the tax saving will result in better quality construction. Clubs usually stretch their budgets pretty thinly over as much work as they possibly can. Some, not all, have made it rather uncomfortable for the architect because he didn't do as outstanding a job as they expected with the inadequate budget he had to work with. Maybe the new tax windfall will lead to a more liberal attitude in allotment of funds. I hope so.

Any group that is ready to start building between now and the first of the year certainly shouldn't hesitate because payment of design or building costs can be deferred until after Jan. 1.

**Alex G. McKay, Morristown, Tenn.** —

I think we'll see construction of more courses in the small towns as a result of the tax being lifted. I know of several groups in small Virginia and Tennessee towns that haven't gone through with plans for courses because the extra 20 per cent was breaking



their backs. I seriously doubt if very many groups will put any, and certainly not all of the tax money saved, into the design and construction budget for what they consider are extras. More liberal spending when the course is being built might save these people money in the long run, but they don't see it that way.

**Bob Baldock, Fresno, Calif.** — The revised tax law is bound to encourage course construction. A saving of 20 per cent is a very large saving indeed and I think it is going to mean the 'go ahead' for a lot of people who have been hanging

back. I know of one group in California that had raised \$210,000 for the building of a course, \$35,000 of which would have gone to the government. Now, these people are going to wait until after the first of the year and put the entire \$210,000 into their course and clubhouse. Surely, this isn't or won't be an isolated case. I think the tax repeal is a good thing for golf architects and builders and I feel we'll see a boom in the spring.

**Robert F. Lawrence, Tucson, Ariz. —**

The lawmakers have made a step in the right direction in repealing the tax on recreation facilities. If private enterprise takes it upon itself to underwrite such things as golf courses it should be encouraged. However, I don't think Congress went far enough. The tax on the purchase of land still exists and since this is a considerable factor in getting golf projects started, it is going to act as a brake on expansion of the game. But at least the breakthrough has been made. Perhaps the repeal of the tax on land purchases will come later.



**Hal Purdy, Kingston, N. Y. —** Repeal of the 20 per cent tax certainly should be another spur to the already booming golf business. So far as I know, the fact that the tax law doesn't become effective until Jan. 1, hasn't delayed any construction planning. I think the repeal should result in better courses, but some committees may want to put the money saved into their bars or dining rooms. That's where the course architects and construction men will have to do some fast talking to get them to put it into the golfing facilities.

**William F. Mitchell, North Sutton, N. H. —** I know of many groups that are in the thinking stage where new construction or course improvement is involved. The government's action in knocking out the tax should get them moving, if anything does. One of the better features of the tax repeal is that construction items no longer will be charged to maintenance. This, in my opinion, will ease the burden on the supt. because he no longer will be forced to dip into his annual maintenance budget to

undertake projects that, in reality, are capital improvements.

**Robert Bruce Harris, Chicago —** The abolition of the club dues tax assessment has resulted in postponement until next spring of at least two projects I am interested in. But I'm not grouching about these deferrals because I think the tax relief measure probably will result in more courses being built.



Whether or not the tax reduction will result in better constructed courses is a matter of conjecture. I doubt if it will because I feel quite strongly that design, construction, etc. are more closely tied to ideals and skill than to finances.

**William H. Diddel, Carmel, Ind. and Ormond Beach, Fla. —** I am quite optimistic about the possibilities of more courses opening up as the result of the change in the Excise Tax law. I don't think, though, that the clubs will spend more than a small part of the tax windfall on either new or improvement projects. Yet, there is always the chance that committees and club officials will keep that 20 per cent saving in the back of their minds as a kind of psychological cushion that they can fall back on in case they want to make their courses just a little more elaborate than they originally intended. I think the new law will result in more outside contractual work. It will be to the advantage of clubs from a tax and capitalization standpoint to hire outside contractors to do certain jobs rather than divert their maintenance staffs to handling them.

**Geoffrey S. Cornish, South Amherst, Mass. —** Organization and financing headaches of new clubs should be reduced by repeal of the excise tax. Still, in recent years it has been my observation that the 20 per cent tax didn't stop any groups from going ahead and building new clubs once the individuals concerned were serious about proceeding with their plans. This was particularly true where these people were able to find likely course sites at reasonable prices.

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Greens," "How to Build a Back Yard Putting Green," "Poa Annua," and a host of other things. It has been gratifying to learn that so many folks read GOLF-DOM's Q&A. It is a pleasure to be of assistance to anyone who needs help.

Diseases of grasses got careful study by Dr. H. R. Couch who stated at the GCSA conference in Washington that proper nutrition is associated with lowered susceptibility to certain diseases, notably large brownpatch and redthread. Cultural control of disease thus assumes new importance. The implication is that fungicidal controls will work better when nutrition is balanced.

Hydrated lime continues to give relief when the going is rough. It is by no means a "cure-all" but it helps to check diseases when nothing else seems to work. The flash rise in pH in the surface of the turf seems to discourage fungus activity which thrives in an acid medium.

(To Be Concluded in January)

### Architects' Views on Tax Repeal

(Continued from Page 38)

George W. Cobb, Greenville, S. C. — I expect to see something of a lull between now and Jan. 1 in getting courses underway, but thereafter we can look for a boom. Several groups that I know of that obtained land and organized clubs several years ago, but never got going, now are asking for plans to be ready for construction contracts in 1959. Some confusion may arise in the future in the interpretation of what are maintenance projects and what are reconstruction jobs, but I imagine that rulings of the Internal Revenue dept. will eventually remove all this.

### Purdue Offers Four-Year Course in Turf Management

An organized four-year undergraduate program in turf management is available in the Purdue University agronomy dept. to limited number of students who are approved for the course on an individual basis. All requirements for the degree, BS in Ag., apply to this program.

A limited number of scholarships in turf management are available. Information concerning them can be obtained from the Scholarship Office, Purdue U., Lafayette, Ind. Complete information also can be obtained from W. H. Daniel, turf specialist at Purdue's agronomy dept.