

Clubs Join U. S. G. A. in Tax Relief Push

IT looks like the U. S. G. A. plea that the golf clubs get busy in a concerted effort to get federal relief has aroused the club officials to the point where they are in dead earnest about having their members' representatives in congress understand the injustice and heavy burden of the tax situation.

One of the letters putting forth the golf club side of the case in illuminating fashion is that written to Senator Thomas D. Schall of Minnesota by Walter Nold, secretary of the Golden Valley G. C., Minneapolis.

Mr. Nold wrote:

As you know, the Revenue Act of 1928 provided for the continuation of the war tax of 10% on dues and initiation fees to golf clubs and added a new tax equal to 10% of any amount paid as the purchase price of shares of stock, bonds or other securities, ownership of which is a condition precedent to membership.

The Revenue Act of 1928 is entitled "An Act to reduce and equalize taxation," etc. Practically all of the war taxes, and particularly the so-called nuisance taxes which admittedly were imposed not upon the basis of any tax logic but purely as a temporary means of providing revenue, either have been discarded entirely or very materially reduced in rates. But more than eleven years after the Armistice, the burden of the golfer has not been lightened but actually has been made heavier. I do not see how either the imposition of this new tax or the continuation of the old tax can be reconciled with any program of reduction and equalization of taxation.

Here is an illustration of the inequality of this tax. Some golf clubs are organized and operated without any dues, although the members are required to purchase memberships which are transferable, the members paying a green fee each time they play. Some members play more and pay more, others play less and pay less. Members of such clubs apparently are not required to pay any tax, while members of clubs who pay certain stipulated amounts annually as "dues" and no "green fees" are required to pay the tax. I do not know on what

principle of equity the one group should not pay a tax and the other group should pay a tax, merely because of a slight difference in the method of financing.

Another inequality is the fact that patrons of public fee courses, constructed, maintained and operated for profit, pay for the privilege of playing but are not required to pay any tax. An attempt at justification of this is the statement that the government collects taxes on the income from such ventures for profit. But any such tax collected is a tax only on the NET income from the venture, and only after the allowance of certain exemptions and credits. In the case of the club, the dues paid by the members, on which a tax of 10% is paid, constitute substantially the gross income of the club, so that by way of comparison the tax is in effect not a tax on net income but a tax on gross income before deduction of any costs or expenses, and without any exemptions and credits, and, furthermore, is at a rate higher than probably would be paid by an individual.

If a man be rich enough to pay the entire cost of constructing and maintaining a golf course for his exclusive benefit, he is not penalized by a tax of 10% as is the club member who pays a proportionate part of the cost.

Here is another illustration of the apparent inequality of this tax. A man may spend during a year \$1.00 or \$1,000, or any amount, so long as the individual admission price does not exceed \$3.00, on burlesque, vaudeville, motion picture and other theatrical performances, none of which can be considered health-giving (and probably few classed as educational or cultural), without the payment of any tax. But if a man in a year spends more than \$25.00 as dues in a golf club for the privilege of joining other men in the pursuit of a health-promoting outdoor recreation he is taxed 10% for so doing.

Some uninformed person may attempt to justify the tax on the assumption that golf clubs are composed entirely or very largely of only men of advanced ages who perhaps profited more than they sacrificed during the World War. Golf, if ever, is no longer exclusively an old man's game. I am sure that a call of the roll would show that a great many

of the members of golf clubs were in military service in the Great War.

No one informed on the development of golf in the United States will any more seriously propose as an argument for the retention of this tax that golf is the game of the rich and the leisure class.

Taxing Sunshine

I believe there are comparatively few men who take up golf with any idea of ever attaining any great degree of expertness in the game. The abiding features of golf for most men are the friendly association with other men, getting out into the country, walking on stretches of green, growing grass, watching the trees bud and leaf in the spring and take on autumnal colorings in the Fall, seeing the birds and the squirrels in the trees, enjoying nature's sun-ray treatment, breathing the fresh air, etc. The Master Nazarene said "render unto Caesar that which is Caesar's." But this tax seems to go much further; it seems to be a tax on the enjoyment of God's gift of sunshine, fresh air and green grass.

It is our belief that, while this tax on dues and fees may have been justified as a war measure, as a permanent measure it is illogical in principle, inconsistent and unequitable, and we believe that the Government should, if not encourage, at least remove the penalty of this tax from the health-promoting outdoor recreation of golf.

This letter is written in compliance with a resolution unanimously adopted on December 10, 1929, at the annual stockholders' meeting of Golden Valley Golf Club, which is composed of four hundred and twenty-five substantial citizens of Minneapolis and vicinity. We earnestly urge you to use your good efforts toward the removal of this tax, and I shall greatly appreciate an expression of your attitude in the matter so that I can report back to our members.

A couple of other letters chosen from among the number of copies that thoughtfully have been sent to GOLFDOM show that there is something being done to remove from the congressional mind the impression that golfers are gentlemen who are so rich that they don't give a damn about taxes. This apparent opinion is somewhat in conflict with the observations about the wealthy man and his taxes which any congressman can make at any time:

In one of these letters Jasper T. Crawford, acting secretary of the Liverpool (N. Y.) G. & C. C., writes his district's representative and Senators Copeland and Wagner:

At a recent meeting of the Liverpool G. & C. C. I was directed to write you the sentiment of our members toward the present ten per cent tax on club dues.

We believe that the tax was designed to apply on luxuries. It was aimed at clubs whose membership could presumably easily pay the tax. In our case this principle does not apply.

Our club is organized to let in members of moderate means. With a great number of our members it is a health project. This tax is a real consideration with us.

You will be doing a real service for a great number of your constituency if you can help us toward more economical golf by getting rid of this tax.

Dr. W. Frank Beck, who built a fee course at Altoona, Pa., to provide practically public golf to his community, wrote Representative J. Banks Kurtz, saying:

I understand that before long an effort will be made to have the federal tax of 10 per cent removed from golf clubs.

The question of removing it came up some three or four years ago and was defeated for the only reason that it was a rich man's game. I would like to state that there is no game that is growing so fast among the common people of our country as golf. During the last two years I have played on courses from Atlantic City to California and I am now safe in saying that there are one thousand people in very moderate circumstances playing golf to every one person who is wealthy.

In your own district I built a golf course at my own expense so that the working people and the people of moderate means would have a chance to play golf at a very reasonable price, and I know a great many people all over the United States who are doing the same thing. I believe if the individuals are taking this interest in golf it is the duty of the government to give all the aid possible for the development and growth of this wonderful game.

When the bill comes before Congress will you please do all you possibly can to have the tax removed?

"A putting green is the area within 20 yards of the hole not including bunkers. If there are no bunkers such a green would measure 11,310 square feet. No putting sward should ever be larger, and not more than one on a course has any excuse for being so large."—*From the Green Section Bulletin.*