

No Tax on Green Fees, Treasury Dep't Rules

GOLFDOM:

We would appreciate it very much if you would settle the following question for us: We are a daily fee course, not a club. We have no members in the usual sense of the word; however, for \$25 a person can play all season without payment of any further fees. Is this \$25 season ticket subject to the new federal tax on admission to places of amusement? How about our different daily fees of 25c, 50c and \$1.00?

Signed: L. B. E., Iowa.

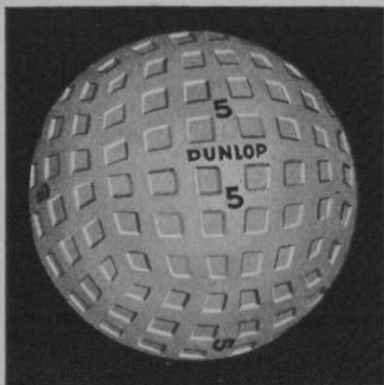
Reply

The USGA through its general counsel, Livingston Platt, advises us under date of June 30th as follows:

"The admission tax section of the Revenue Act of 1932 (Sec. 7110) is worded the same as the admissions tax sections in prior acts. The Treasury Department has ruled that green-fees of a golf club are not taxable as admissions. (See S. T. 357 I-1 Cumulative Bulletin 434.) Golf clubs have never collected a tax on green-fees under

prior Revenue Acts, nor have they ever been called upon to collect such a tax.

"The question raised by your letter is, however, slightly different from the questions of green-fees of a golf club. The Department has held that where payment is necessary to gain physical access to a building or enclosure the payment is subject to an admissions tax. (See Office Decision 99 4-21-214. Also, *United States v. Koller & Farmer*, 287 Fed. 418 T. D. 3431 II-1 C. B. 266.) If the Iowa fee course will not allow anybody on the grounds unless they have paid a fee, it might well be that the Department will rule that the charge is subject to an admissions tax. The ordinary golf club does not, of course, say anything if a stranger who is behaving himself in a proper manner merely walks out upon its grounds and does not attempt to play golf. Such a person is never told that he must either pay a green-fee or leave. However, I understand that some of the public golf courses around New York City, and particularly the Van Cortlandt Park golf course, are absolutely fenced off and no one who does not hold a ticket entitling him to play is allowed



FOUR CLASSES OF BALLS

- Imported Dunlop
- Dunlop (made in U.S.A.)
- Dunlop Warwick
- Warwick 35

IMPORTED DUNLOP

Four Dunlop balls to bring and keep
the golf ball business in the pro's shops.

upon the course. If the same procedure is adopted by the course in Iowa, it is my opinion that the Treasury Department would hold that an admissions fee was being charged and it was subject to tax."

DOUBLE-CROSS

Thoughtless Pros Sacrifice Market Protection on Ball Deal

SITTING IN the middle GOLFDOM has had opportunity to comment impartially on how attempts of manufacturers to give pros exclusive marketing deals have been defeated too often by the pros themselves.

Cases of pros selling PGA balls out of their own stock to stores have been subjects of prior comment. The straightforward pro merchants who keep faith on the deals squawk about merchandise represented to them as "exclusively pro" being found on sale at stores. Investigation of the source of the stores' supply most often shows the goods come from pros who listen to the stores' importunities and double-cross their comrades instead of selling any surplus they have to brother pros so the market can be protected.

Frequency of the cases prevented some manufacturers taking on franchise to make PGA clubs, as much as those manufacturers would have like to consider the deal. The deal involved a bond assuring exclusive sale of PGA merchandise through PGA pros. Any violation would subject the manufacturer to a heavy forfeit or, at the best, expensive and embarrassing investigation.

Latest instances of some of the boys stumbling over their own feet in this matter concerns the United States "Royal" and "Fairway" ball sales. Pros were given exclusive on the reduced prices for a three-week period with the idea of presenting them a proposition that would bring ball business back to pro shops that formerly had been going to other retailers for reduced price golf balls of unknown character.

It worked very prettily and completely at the start and pros were planning a 100% clean-up in bringing the bargain hunters back as pro-shop customers. But, before the July 12 date on which the dealers were to get the balls at the reduced price earlier given the pros, the balls began to be seen in stores.

Investigators found that store supplies

had been secured from pro sources at premiums of as low as 25 cents a dozen.

Again reminding you that GOLFDOM is robust champion of the pro cause, we must say that this recurrence of the runaround is one of those little things that the pros will have to eliminate before the boys can sit back on their haunches and howl that the manufacturers are throwing curves into them. The PGA playing copper in such matter would provide some interesting little sessions.

Any comment the fellows have to make on this situation will be eagerly welcomed by GOLFDOM.

Croke Figures Divot Acreage and Winces

JACK CROKE, when the genius of Cook County Forest Preserve golf courses, figured out the annual divot acreage on the preserve's 4 courses. During an average year 230,500 rounds are played on the courses. Jack figures each player averages 50 divots a round. This makes 11,525,000 divots a year. With divots averaging 10 sq. in., there are 18 1/3 acres of divots removed a year, or about 2 3/5 acres for each 9 holes. There's one of the headaches of golf course maintenance.

The problem is not as bad at private clubs but it's bad enough to have several green-chairmen each year write GOLFDOM whether it would be advisable to have caddies carry packets of seed and dirt to put in divot sopts.

Bob Hayes, eminent supt. at Pelham (N. Y.) C. C., offers the practical answer. He says: "In order to use the seed in that manner it would have to be mixed with topsoil and fertilizer, and if not used within a certain time the seed would germinate in the packages. I doubt if the caddies would use the seed as they should and waste would be expensive."

THE NEW country club course planned at Tucson, Arizona, will contain a novel feature in that it will have two 19th holes. The proverbial 19th hole within the clubhouse will exist just as it does in so many other clubhouses, but Tucson's layout will also have a 19th hole out on the grounds. This extra hole is to be used for playing off ties in club tournaments and will also serve as a practice fairway.