Editorial

A BAD MOON ON THE RISE

By Monroe S. Miller

Not all topics appropriate to this editorial feature need to focus strictly on golf or turfgrass management. Our society is faced with a myriad of problems that affect all of us, some more than others. There are some proposals floating around our nation's capital that I think impact particularly hard on Golf Course Superintendents and I'm hoping to persuade all of you to write to Senators Proxmire and Kasten and to your own Congressman to express your concern over some of these proposed changes in our tax laws.

The items that have me hot under the collar are both part of the Administration's tax reform program. I have to believe that I am one of President Reagan's strongest supporters, but he's off base on these two (and maybe more) portions of the proposed legislation. The Congress and the President need to be persuaded of the wisdom in 1) preserving the current tax treatment of employee benefit programs, and, 2) removing the provisions to disallow club dues, entertainment and certain club fees as tax deductible business expense from the President's new tax plan.

The second item affects WGCSA members at private and semi-private golf courses more than those who are not. But the first item affects all of us. I'm sure we agree that the Federal government needs to get the budget deficit under control. But it makes no sense to try to help do that by raising revenue from increased taxes on employee benefits. The meager or modest financial "empire" those of us at middle age in the middle class have tried to build was done by one set of rules. Changing the rules and telling us we won't end up paying more or going without is the wrong approach and probably isn't true. Having politicians and bureaucrats tell us that we will prosper and pay less tax under these new rules is a little like the captain of the TITANIC telling his passengers not to worry because, "We are just stopping to take on a little ice." Current employee benefit plans of most Golf Course Superintendents are remarkably varied and, by and large, provide us flexible and comprehensive programs that give some financial security now as well as upon retirement. Not only do we risk having benefits like health insurance, life insurance, retirement plans, meals at the clubhouse, transportation to and from work, and educational assistance programs taxed, you can almost be assured that the level and availability of those benefits would be reduced, in spite of the fact that our need for them will not go away. And I'm willing to bet some of our employers would be inclined to even drop some of the benefits they now provide. The bottom line result for us is that there would be fewer benefits. It's like Hobson's choice — the old 17th century livery-man who made every customer take the horse nearest the door. The choice we may be faced with — seeking replacement benefits or going without — is no choice at all. And such a tax is regressive, affecting those who are least able to afford it and who will need the benefits the most. The more I think about this, the angrier I get. Regardless of arguments for tax reform, it is social and economic folly to tax employee benefits. The current treatment of my benefits has helped meet current family needs and plan for future responsibilities. The job's not getting any easier and I resent the changes in midstream.

I'm certain that in the golf club world there is universal feeling that the enactment of legislation eliminating the deductibility of club dues, fees for golf cars and green fees, as well as putting a cap on the amount of dining expense for tax deduction purposes, would be devastating. I've read that this proposal would cause a decrease in club revenue of something over $500,000,000 and the loss of somewhere between 50,000 and 100,000 jobs. This is translated into a revenue drop of about 20% and a job loss of nearly 20% for golf clubs. These figures don't even include losses that would be suffered by golf manufacturers, golf course equipment and supplies manufacturers and distributors, as well as revenue and job losses that would result from a substantial decline in corporate patronage of golf tournaments at the local, state, regional and national level. Charities would also suffer significantly from this. Like it or not, monies spent by American business on meals, golf cars and green fees, as well as many other related items, are legitimate business expenses. These investments are every bit as important to a business as are the acquisition of raw materials, advertising and the employment of people. Elimination of the deductibility of these items is unfair and the potential negative impact on golf clubs is nothing short of frightening.

It is untrue that there is nothing we can do about these issues. As president of the WGCSA, I've written to our senators and congressmen to express concern. I've done the same as a taxpaying citizen.

Won't you join me and express your concern, please, before it is too late?

WGCSA FALL EXTRAVAGANZA

Dinner and Dance

October 4 & 5

Stevens Point

Details will soon arrive in an Invitational Letter.

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