

"Congress never intended to penalize artists, writers, and musicians," said Rep. Fred Richmond (D-NY). "Unfair," agreed Sen. Howard Metzenbaum (D-OH), "it actively discourages charitable giving." A "devastating effect" on libraries, according to Daniel Boorstin. The Congressman, the Senator and the Librarian of Congress were referring to the effect of the 1969 Tax Reform Act on the donations of artwork and manuscripts by artists and authors to libraries and museums. At a hearing November 10 before the Senate Estate and Gift Taxation Subcommittee, they were joined by other witnesses: Norman Tanis, California State University Libraries, Northridge, for ALA; Roscoe Rouse, Oklahoma State University Libraries, for ARL; and representatives of the Council of Creative Artists, Libraries and Museums (a coalition to which ALA belongs), the American Arts Alliance, the Association of Museums, and the Authors League of America.

Prior to 1969, a full fair market value tax deduction could be taken for the donation of any literary, musical or artistic composition to a charitable institution. In 1969 the tax law was changed specifically to prevent elected officials from taking advantage of this privilege. Caught up in this change was the ability for artists, musicians and writers to use the deduction, although collectors who purchase such items and later donate them to qualifying charities can still take the full deduction. Since then, donations of contemporary literary and musical manuscripts to academic and research libraries have declined markedly, as documented by Norman Tanis in several surveys.

Three bills to restore a tax incentive for artistic donations were under consideration at the Senate hearing: S. 649, a full fair market value tax deduction bill introduced by Sen. Max Baucus (D-MT) with cosponsors Lugar, Kasten, Leahy, Williams and Heinz; S. 851, a partial tax deduction, and S. 852, a partial tax credit, both introduced by Sen. Daniel Moynihan (D-NY). S. 852 would probably not reverse the decline in contemporary manuscript donations because its applicability is limited to sales of compositions. All three bills exclude the papers of public officials.

S. 649 is a bipartisan bill that most closely corresponds to the primary tax recommendation of the Presidential Task Force on the Arts and Humanities. Chaired by the actor Charlton Heston and University of Chicago President Hannah Gray, the Task Force was established to examine the Arts and Humanities Endowments and to suggest ways to increase private sector support. In its report to the President on October 14, the Task Force recommended restoration of the full fair market value tax deduction for artists and authors. Two Task Force members presented testimony at the hearing--Librarian of Congress Daniel Boorstin, and Gordon Hanes who, among other affiliations, is a member of the board of the Folger Shakespeare Library.

The Tanis surveys indicate that the 1969 Tax Reform Act has definitely limited accessibility of manuscript collections through 1) reduced donations of original works of contemporary literature, art, and music, 2) restricted use policies mandated by donors in cases where donations have been accepted on deposit as well as the reluctance of libraries to fully process deposit collections which may later be withdrawn, 3) illogical locations, divided collections and separation of collections from closely related materials, and 4) the complete loss to researchers of many valuable materials either through inaccessible private collections or through accident or neglect.