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ADVOCATES FOR THE ARTS · ROOM 820 · 1564 BROADWAY · NEW YORK, NY 10036

March 25, 1976

TO: ADVOCATES
FROM: MICHAEL NEWTON
SUBJECT: Legislative review

Since the 94th Congress is almost half-way through its term, it is appropriate that we take stock of how it stands in regard to legislation affecting the arts. Information on the following pages, compiled by J. Golodner Associates, Washington consultants to ACA, is reproduced from Word from Washington, the bi-monthly publication received by members of ACA. We thought this material would be especially useful to you.

REPORT ON LEGISLATION

ISSUE

LEGISLATION

STATUS

Tax

H.R. 585 (Koch, D-NY) To restore to artists the right of deducting 100% of the fair market value of works to non-profit institutions.

Introduced Jan. 14, 1975 and referred to House Ways and Means where it is still pending. No action scheduled.

Revisions

H.R. 6057 (Brademas, D-IN) To restore to the artist a 75% deduction of the fair market value of a charitable contribution.

Introduced April 16, 1975 and referred to Ways and Means. No action scheduled.

S. 1435 (Javits, R-NY) See H.R. 6057, above.

Introduced April 15, 1975 and referred to the Committee on Finance. No action scheduled.

A provision requiring that in order to claim business deduction for home, taxpayer must establish 1) that the portion of home set aside for business is used exclusively and on regular basis; 2) that it is taxpayer's principal place of business; or 3) that it is used in meeting and dealing with patients, clients, or customers. This measure greatly affects freelance actors, writers, photographers, artists.

This provision approved by the House as part of H.R. 10612, but was tabled by the Senate when it passed tax legislation continuing the tax rate reduction last session. The Senate Finance Committee will begin hearings March 17th on this and other House-passed tax revisions. ACA will testify on this provision.

H.R. 8274 (Richmond, D-NY) Would provide space on Federal Income Tax returns for contributions to the National Arts and Humanities Endowments which would be made in addition to tax payments or in lieu of tax refunds, and would not be used for administrative costs of the Endowments.

Introduced June 26, 1975. Referred to Ways and Means. No action scheduled.

H.R. 3999 (Rees, D-CA) Amends the Internal Revenue Code to provide tax deduction for the purchase of contemporary American art (art created after 1945). Maximum deduction \$10,000 (\$5,000 in the case of husband or wife who files separate return).

Introduced Feb. 27, 1975. Referred to Ways & Means, which has requested reports from the appropriate Departmental Agencies. No hearing dates set.

<u>ISSUE</u>	<u>LEGISLATION</u>	<u>STATUS</u>
<u>Tax</u> <u>Revisions</u> , <u>Cont'd.</u>	<p>S. 80 (Mathias, R-MD) Estate Tax Bill Would prevent the estate tax from operating to encourage or require the destruction of open lands and historic places, by amending the Internal Revenue Code to provide that such property be valued at its existing use, rather than its fair market value.</p> <p>H.R. 432 (Fish, R-NY) See S. 80, above.</p> <p>S. 667 (Beall, R.-MD) Historic Tax Structures Act. Modifies existing tax law to deny: *write-offs for demolition charges when destroying historically significant structures *accelerated depreciation on the new building constructed on that site. Also contains provision to encourage the charitable transfer of land.</p> <p>S. 2021 (Taft, R-OH) Would amend the Internal Revenue Code to allow tax credit for maintaining and restoring the exterior or structural foundations of certain buildings and historic structures.</p>	<p>Introduced Jan. 15, 1975 and referred to Senate Finance. No action scheduled.</p> <p>Introduced Jan. 14, 1975 and referred to Ways & Means. No action scheduled.</p> <p>Introduced Feb. 12, 1975 and referred to Senate Finance. No action scheduled.</p> <p>Introduced June 26, 1975 and referred to Senate Finance. No action scheduled.</p>
<u>Federal</u> <u>Office</u> <u>Buildings</u>	<p>S. 865 (Buckley, C-NY) Would require the Administrator of the General Services Administration to utilize the space in buildings of historic, architectural, or cultural significance, unless imprudent.</p>	<p>Passed the Senate August 1, 1975 and sent to House Public Works and Transportation Committee, September 3. On October 19, 1975 went to and is still pending in House Subcommittee on Buildings and Grounds.</p>
<u>Emergency</u> <u>Employment</u> <u>for Artists</u>	<p>H.R. 8563 (Abzug, D-NY) Would provide emergency employment for artists, to be carried out by the NEA, during any fiscal year in which the national rate of unemployment exceeds 6.5%. Authorizes the appropriation of \$20 M for the fiscal year ending June 30, 1976.</p>	<p>Introduced July 11, 1975. Referred to Education and Labor, Select Education Subcommittee. Though no action is planned on this specific bill, testimony was taken on this issue during hearings on legislation to reauthorize the Arts Endowment. It is now being considered by this subcommittee in bill drafting sessions. ACA supports a \$30 M job development add-on in Endowment's authorization. (See Endowment re-authorization)</p>

<u>ISSUE</u>	<u>LEGISLATION</u>	<u>STATUS</u>
<u>Arts and Artifacts Indemnification</u>	H.R. 7782 (Brademas, D-IN) and S. 1800 (Pell, D-RI) Indemnifies art and artifacts coming from overseas against damage. Indemnities authorized up to \$50 M for each exhibition. Deductible of \$15,000.	Introduced June 11, 1975. Passed Congress Dec. 1. (S. 1800 passed Senate July 25, 1975 and passed House with House Amendments December 1.) Signed by the President December 22, 1975. Public Law #94-158.
<u>Act</u>		
<u>Railroad Stations As Cultural Centers</u>	H.R. 1118 (Thompson, D-NJ) Would establish program to renovate unused railroad stations as cultural centers. Title VII, Section 706 of S. 2718 (Hartke, D-IN) provides for the acquiring and utilizing of space in suitable buildings of historic or architectural significance, after consultation with the NEA and the Advisory Council on Historic Preservation, and authorizes \$15 M for such purpose.	Introduced January 14, 1975 and referred to Education and Labor, Jan. 16. Subcommittee on Select Education held one day of hearings October 31. No action since then. S. 2718 is known as the Railroad Revitalization and Reform Act of 1976. It was introduced November 26, 1975. It passed the Senate December 4, passed the House December 17th. Conferees' report agreed to January 28. Signed by the President February 5, 1976. Public Law #94-210.
<u>Japan Cultural Exchange</u>	S. 824 (Javits, R-NY) Establishes the Japan-United States Friendship Trust Fund to support scholarly, cultural and artistic activities between Japan and the U.S. and establishes a Commission to make grants, develop, and carry out proposals.	Introduced February 25, 1975. Passed the Senate June 13th. Passed the House September 26th. Signed by the President October 20th. Public Law #94-118.
<u>Art Bank Resolution</u>	H. Con. Res. 479 Pressler (R-SD) Would give American citizens who are not recognized American artists a chance to display their works in House and Senate.	Introduced Nov. 13, 1975. Pending in House Administration Committee Subcommittee on Library and Memorials. Pressler is currently seeking co-sponsors.

<u>ISSUE</u>	<u>LEGISLATION</u>	<u>STATUS</u>
<u>Copyright</u>	<p>S. 22 would</p> <ol style="list-style-type: none"> 1) extend CR term to life plus 50 years. 2) require that royalty payments be made by operators of cable television systems for programming picked up from over-the-air broadcasters. 3) terminate current exemptions for the juke box industry from CR liability. 4) limit systematic photocopying by libraries and schools. 5) partially repeal present exemptions from CR liability for non-profit performances. 6) allow public broadcast stations to take, by compulsory license, all non-dramatic materials (literary, musical and pictorial) - fees to be set by CR Royalty Tribunal. <p>H.R. 2223 This bill is similar to S.22</p>	<p>Reported out by Senate Judiciary Committee November 20, 1975. Scheduled for debate in the Senate during the week of February 16.</p> <p>Hearings completed. House Judiciary Subcommittee now drafting bill. Chairman Rep. Kastenmeier (D-WI) ACA and Arts Endowment 1) urge CR benefits for performers who record 2) object to public broadcast limitation on artist's rights. ACA favors limitations on photocopying.</p>
<u>American Folklife Center</u>	<p>H.R. 6673 (Nedzi, D-MI) Establishes an American Folklife Center in the Library of Congress. Authorized funding level for the next three years is \$770,000.</p>	<p>Introduced May 5, 1975. Passed House September 8, 1975. Passed the Senate December 11, 1975. Signed by the President January 2, 1976. Public Law #94-201.</p>
<u>Corporation for Public Broadcasting</u>	<p>H.R. 6461 (Macdonald, D-MA) Authorizes expenditures for the CPB of up to \$634 M for fiscal years 1976-1980 - with the provision that each \$1 of federal funds be matched by a private contribution of \$2.50.</p>	<p>Introduced April 29, 1975. Passed the House November 10th. Passed the Senate November 17th. Signed by the President December 31, 1975. Public Law #94-192.</p>

<u>ISSUE</u>	<u>LEGISLATION</u>	<u>STATUS</u>
<u>Revised Museum Services Act</u>	The Bicentennial Era Museum Services Act, S. 2567 (Hathaway, D-ME) would authorize \$25 M to be administered by the NEA for the next three years. Museums would be prohibited from using the money for new construction or for new acquisitions for their collections.	Introduced October 28, 1975. Referred to Senate Labor and Public Welfare Committee. No action on this bill scheduled but museum services is being considered as part of Arts Endowment reauthorization.
<u>Endowment Reauthorization</u>	ACA is calling for reauthorization of the Arts Endowment for a three year period with funding of \$180 M in '77, \$210 M in '78 and \$250 M for fiscal '79. ACA recommends an additional \$30 M be authorized for use by the Endowment whenever unemployment nationally reaches 6.5%. Major bills (introduced by Pell, Brademas, Javits, Bell) call for spending ceiling of \$126 M (the same as this year) for each Endowment.	Hearings completed. House Select Education subcommittee and Senate Subcommittee on Arts and Humanities expected to act on bill by the end of March.
<u>Endowment Appropriation Fiscal '77</u>	President has requested \$87 M for Arts Endowment in Fiscal '77 which begins October 1. This is \$39 M less than amount authorized by Congress for Fiscal '76. Endowment has no authorized funding ceiling for Fiscal '77 (authorization legislation is pending) ACA has asked for \$180 M in Fiscal '77 plus \$30 M job development "add-on."	Pending in Appropriations Subcommittees in both House and Senate. House held hearings week of Feb. 9, 1976. Tentative schedule for Senate hearings: March 3, NEA and NEH. The House has scheduled public hearings April 5, 10:00 a.m.

A new Advocates for the Arts Resource Packet containing models of several state advocacy groups, a legal opinion paper on legislative action by non-profit groups, a listing of resource books, and other organizational materials is now available. Enclose \$3.00 for packaging and mailing and send order to: Advocates Resource Packet, Room 820, 1564 Broadway, New York, N.Y. 10036