Tax cut effects on MIT are unclear

By Sam Cable
President Reagan's Economic Recovery Tax Act may decimate donations to colleges and other non-profit institutions by $18.3 billion between now and 1984, according to a study conducted by the Urban Institute of Washington DC.

There is no way, at present, to gauge accurately the true effects of the new law, according to Thomas Heneberry, Associate Director of Planned Giving and Legal Affairs at MIT.

Neil Leser, director of Research Development, said, "It is still too early to tell," what the precise effects of the change in tax policy will be. Commenting on the tax law's effects on MIT, Henebrry observed, "That's a good question. I don't know any one around here who can answer it."

Both Heneberry and Leser noted that although the law will allow the wealthy to protect more of their estate from taxation, possibly decreasing incentive to give, it will also leave them with more money after taxes, possibly increasing incentives to donate.

Dr. Helen Caldicott, president of the Urban Institute, said, "There is no way of knowing the interaction between the two."

Heneberry concluded, "The only effects I see are more donors paying off pledges before the end of the calendar year while it is more profitable, followed by a short term of uncertainty as many major donors "parse out what has happened."

Leser said that there is a provision in the law allowing industries to donate more to non-profit organizations, but, he says, this clause will have little effect on schools because industry does not generally donate any sizable amount to education.

Heneberry's opinion is that the Urban Institute is "just guessing. There is no historical data on which to base any judgement on the new law, he says, because major tax cuts in the past have all had different objectives.

Leser indicated that during a similar tax cut in 1969, many groups made predictions similar to those of the Urban Institute, but that none of them materialized.

MIT Women's League is having their annual plant sale on Thursday, October 1 at 9am on the steps of the Student Center.

The MIT Economic Development Office is sponsoring a conference, "Creating Engineered and Public Health" on Friday, September 25, 8:30am - 4:30pm at the Department of Transportation Building in Kendall Square, Cambridge. The purpose of the conference is to raise important public health issues that communities in Massachusetts might face as genetic engineering becomes a larger industry. A draft of a model ordinance for adoption by local cities and towns will be circulated and discussed.

A Talk on European nuclear disarmament with Frank Brodsky, sponsored by the Anti-War Organizing League, will be held at the AWOL office, 595 Massachusetts Avenue, Cambridge on October 17 at 7:30pm. For more information, call AWOL at 491-4694.

On Saturday, September 26 there will be a Rummage Sale to benefit Mobilization for Survival. The rummage sale will run from 9am to 4pm in the parking lot of the Old Cambridge Baptist Church - 1151 Massachusetts Avenue, Cambridge. For more information call 354-0008.

More announcements will be provided in our off-campus section.

We are growing! We, the brothers of ZBT, have decided to increase the size of our house. Despite our splendid rush this year of 19 pledges, Boston remains our address as the second largest fraternity at MIT, we want more good men to contribute to the diversity of our brotherhood. So, if life in a large and active fraternity appeals to you, call us at X-6857 for a ride to suburban Brookline. Visit us for dinner or our tropical drinks party this Saturday evening.