

COLLEGE & RESEARCH LIBRARIES NEWS



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A smaller version of the ACRL logo is located in the top right corner of the page, enclosed in a square frame.

Publishers' Backlists and the IRS

A February 1980 Internal Revenue Service ruling (Revenue Ruling 80-60) which implements the U.S. Supreme Court decision, *Thor Power Tool Co. v. Commissioner of Internal Revenue*, 439 U.S. 522 (1979), may have a serious impact on the book trade.

Under the ruling publishers can no longer write down the value of their inventories for tax purposes. The resultant increase in taxes could be more than a million dollars, even for small and medium sized publishers.

The impact on library acquisitions will be critical. In order to avoid a tax penalty, publishers will have to either sell most of their back stock at less than cost, or destroy it. Books go out of print too quickly as it is, and librarians seeking replacement copies or trying to fill in gaps in their collections will face even greater obstacles if the ruling is allowed to stand.

Publishers may become extremely cautious in accepting contracts with authors whose works are not certain to be best-sellers, especially in technical and scholarly fields. Those books that are published will be printed in fewer quantities and fewer second printings, forcing an increase in the price of individual copies.

Although the original Supreme Court decision involved power tools and not books, the IRS ruling extends the decision to all warehouse inventories and makes it retroactive to the calendar year 1979. The *Thor* decision and the IRS ruling will have a detrimental effect on all types of libraries throughout the country and their capacity to serve the changing, daily needs of their various users.

According to ALA's Washington Office, librarians, publishers, and others are pressing for legislation which will exempt backlists from full value taxes. As a first step, bills are pending which will prevent IRS Ruling 80-60 from being applied retroactively to 1979. Senate bill 2805, introduced by Sen. Gaylord Nelson (D-Wisc.), is pending in the Senate Committee on Finance. Three similar measures are pending in the House Ways and Means Committee: H.R. 7390 and H.R. 7704, introduced by Rep. Barber Constable (R-N.Y.), and H.R. 8154 by Rep. Ed Jenkins (D-Ga.).

Letters expressing your opinion on this issue should be

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sent to your representative and senators, to the Chair, Senate Finance Committee, Washington, DC 20510, to the Chair, House Ways and Means Committee, Washington, DC 20515, and to Sen. Daniel Moynihan (D-N.Y.), Washington, DC 20510, who plans to introduce a bill exempting publishers from the ruling. ■■

Letter

Travel Funds Committees

To the Editor:

It seems to me that the core of any successful policy of travel fund distribution lies in its being perceived as equitable by the staff (see pp. 195-96, *C&RL News*, July-August 1980). This situation can be addressed most effectively as a function of library travel committees established to evaluate requests for travel funds and make recommendations to the library director.

As chair of the Travel Funds Advisory Committee at Arizona State for three years, I am quite familiar with the many problems that involve disbursement of travel funds—and I am convinced that the committee format is an excellent solution.

Of the twenty-one travel policies available from ACRL ("Travel Policies of Twenty-One College and University Libraries," ACRL, 1980, \$3) and those of thirty-five other ACRL member institutions we surveyed in 1978, there are thirteen that have travel funds committees.

The results have been highly successful. On the one hand, library directors and department heads (who usually make the initial recommendation in the absence of a committee) are freed from the pressure of individual supplications and pleas for special consideration, from the pitfalls on inconsistent judgment, and from the inevitable charges of favoritism. The library faculty, on the other hand, feels that the committee is responsive to their interests and welcomes the opportunity to participate in decisions directly affecting their continuing education and development plans (not to mention pocketbooks).

Their recommendations are generally accepted by the library director and reversals rarely occur—even in those occasional instances of individual protest and dissatisfaction with specific decisions. To promote fairness in disbursement, Arizona State compiles an annual list of amounts given to each recipient.

The closing wholehearted recommendation is—try a travel funds committee for your library!
—Winberta Yao, reference librarian, Arizona State University, Tempe. ■■