

June 15, 1979



National Association
of Independent
Colleges and Universities

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MEMORANDUM

To: Government Relations Advisory Council

From: Christine Topping *ct*

Re: Danforth Corporate Gifts for Basic Research Bill

S. 1065, introduced by Senator Danforth last month, will be the subject of a hearing on June 18, 1979. The NAICU Board of Directors at their May meeting gave general approval to providing tax incentives for basic research. They expressed, however, concern over the tax credit approach and noted the patent problem produced by S. 1065. Given, some of the substantive/political difficulties this bill may possess and the shortness of time, we have decided to submit a statement for the record rather than present oral testimony. Attached is a draft statement which must be submitted to the Committee by July 6th. By suggesting that this tax incentive be placed in another section of the code, the statement ducks some of the difficult questions: providing tax credits rather than tax deductions, allowing the federal government to direct charitable giving (sounds like a tax expenditure), and linking the credit and the deduction. The second half of the paper, prepared by Shelly Steinbach, General Counsel of ACE, examines the (negative) impact S. 1065 would have on patent policy. Your comments and corrections would be appreciated.

Enclosures

cc: Ad Hoc Group
Mike Brewer, the Sherlock Holmes of the tax code.