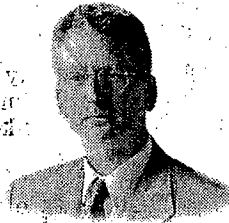


Thomas G. Palaima REGULAR CONTRIBUTOR

The sky's the limit

Sometimes admiration and irony go together perfectly.

Intercollegiate Athletics at the University of Texas at Austin will construct eight portable luxury boxes in the south end zone of Royal-Memorial stadium in order to generate nearly a half-million dollars in additional annual lease revenues. Meanwhile teaching and research sectors of the university face budgetary stagnation, and the decade-long undercompensation of faculty and staff gets worse.



High-tech firms in Austin have halted construction, fired thousands of workers and shipped jobs overseas to take advantage of cheap labor. But 66 permanent suites are now leased at Royal-Memorial, and 50 people are waiting in line to pay \$12,000 per game and up to sit behind glass with friends and associates. Seventy-five will do this next year as Athletics Director DeLoss Dodds' suite is downsized in pursuit of money. Yet none of these wealthy American lessees has received a penny of the tax relief the White House claims they need.

Now to irony. You might recall the panicky reactions of Texas A&M and UT-Austin officials two years ago when the Internal Revenue Service briefly considered disallowing tax write-offs for luxury skybox leases at major university student-athletic events. We were told that many schools are "totally dependent" on the revenues generated by skybox write-offs, and that the IRS ruling could jeopardize as much as one-fourth of the average program's annual operating budget. At UT-Austin, these lease revenues would now seem to approach 15 percent of the annual operating budget.

How does this common revenue-generating practice work? In order to lease a \$65,000 skybox at Football Incorporated University, a keen supporter of higher education is told that s/he must pay an \$11,000 lease fee and make a "mandatory contribution" of \$54,000 to the athletics program. The contribution is considered tax-deductible, naturally "a very attractive feature which does attract donors." IRS officials momentarily had the patently illogical idea that tax-deductible contributions should be "no strings attached," i.e., that "voluntary contributions cannot

be mandatory."

Donors to worthy nonprofit causes deserve heartfelt thanks and special consideration. In my academic department, we invite donors to our scholarship funds to receptions to meet the students who benefit from their generosity. But we do not make it mandatory for them to pony up an extra \$250 to buy the soda, chips and dip. We are all used to receiving special tokens of gratitude from charitable organizations. I use mailing address labels from Guiding Eyes for the Blind and Reading is Fundamental, and trash bags from the VFW. At UT Austin, the highest-dollar contributors, even on the academic side, get their names on buildings. The ancient Romans called this *do ut des* or *manus manum lavat*. Both of these mean something like "we don't expect to get something for nothing."

The chief irony in the skybox ploy is that public sentiment continues to favor getting the national government off our backs by curtailing federal funding for social services and for educational research. State and local governments and private groups and individuals are expected to take over in these areas. Meanwhile the U.S. Treasury funds state and local collegiate athletics through tax write-offs. Collegiate athletic programs in turn use those write-offs to extort money from the tax-impoorished wealthy who like to watch student-athletes apart from the madding crowd.

Because the benefits of the skybox scheme go only to high-bracket folks, I have a few modest proposals that will benefit some of us poorer cats. Tired of city and county taxes of 15 percent and more now charged on hotel stays? I recently paid \$125 a night for a \$109 hotel room in Cleveland. Let the hotels charge us \$10 for the room, and we'll give them tax-free mandatory gifts of \$100 in gratitude for their public-service hospitality. Let's also help out our poor cousins in academics. Average on-campus undergrad expenses at UT-Austin run \$13,374 in-state and \$18,964 out-of-state. Why don't we charge a flat \$1,000 tuition and assess "mandatory contributions" of \$12,500 and \$18,000 per year? Struggling parents and students can use a year-long break from Uncle Sam much more than those who occupy luxury skyboxes five times per year.

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