

# Tax law may cut donations

By TERESA KRIEGSMAN  
Staff Writer

The tax reform laws may give the government more money, but they are also likely to reduce the amount of money donated to UNC, according to Gary Evans, vice chancellor for development and university relations.

"It's hard to calculate the precise dollar effect of the new laws, but the overall effect will be negative," Evans said of the reforms signed last week by President Reagan.

There are two major changes in the tax laws that will affect donations, Evans said. First, only people who itemize their tax returns will be able to take a deduction for charitable donations. Under the current law, both people who itemize and those who do not can take a deduction for donations.

Evans said only about 20 percent of those who file taxes itemize their returns. That means that for the remaining 80 percent there is no

benefit for making a contribution to a charity.

Although most large donors itemized their tax returns, the reform laws also lowered the top income bracket from 50 percent to 28 percent. This causes the cost of a donation to increase. Under the current law, a \$100 donation actually costs \$50 because the donor receives a \$50 tax deduction. With the new law, a \$100 donation will cost the giver \$72, with only a \$28 tax deduction.

Second, donations will begin to figure into what kind of tax people will pay. Because the government does not allow people to be totally tax-exempt, those with all of their income tied up in tax-exempt securities will have to pay taxes on the appreciated part of any donation they make.

This is called an alternate minimum tax, and it means that if a donor buys property for \$10, and the property increases in value to \$100

before the donor gives it to a charity, the donor will have to pay taxes on the \$90 difference.

Evans said he thought many people would donate gifts to the University before the tax laws went into effect so they could get a larger deduction.

"I think you'll see an increase in giving in December 1986 offset by a reduction in the first six months of 1987," he said.

Evans said the donations were used for student scholarships and to supplement faculty members' salaries and provide them with research funds. He said the University received \$25 million last year.

But Evans added that it was not whether people will give, it was a matter of how much.

"The question is whether donations will go up at the same rate as they would have without the new laws, and there is no way to tell," he said.

# AT&T told to rework network

By DAN MORRISON  
Staff Writer

AT&T was to blame in a major three-town breakdown of long-distance phone service last spring, the president of the Chapel Hill Technical Review Task Force said Monday.

"It was clear that the source of the problem was AT&T," Richard Helwig said. "They were sending test messages from Durham, and some of those messages happened to leak into the active side of the system, resulting in the breakdown."

The Task Force last week released a report and proposals to rework the existing local long-distance phone network to prevent another two-week break in service like the one that occurred in Hillsborough, Chapel Hill and Durham April 6-21.

During the 15-day period, customers in the three towns heard an "all lines busy" recording and a fast busy signal whenever they tried to dial long distance from their homes, Helwig explained.

Businesses like banks, grocery stores and auto garages were almost paralyzed by the breakdown, he said.

Central Telephone Co. of Hillsborough, General Telephone Co. of Durham and AT&T all provide phone service in the area. General and AT&T are mainly responsible for long-distance phoning.

After many grievances, the N.C. Utilities Commission in May ordered all the phone companies to respond to complaints about service.

Since then, all three have worked to prevent major breakdowns, George Gustler, Central Telephone District Manager, said Monday.

"We (Central Telephone) conducted hourly reports during the problem, and AT&T had people monitoring it 24 hours a day," Gustler said. "Both AT&T and General Telephone brought in experts from the outside, too."

"Of course, external forces such as lightning and bad weather prevent us from developing a sure way to prevent such breakdowns," he said.

The main problem was really the finger-pointing going on during the crisis, he added.

"Central had to go through General to correct the problem," he said. "and General had to say to AT&T, 'fix it!'"

Helwig and the Task Force propose to prevent future breakdowns by establishing a three-link system instead of a two-link, whereby phone connections would be diverted if complications arise.

Under this plan, Central Telephone would hook into the existing long-distance connection between AT&T and General Telephone.

That way, if breakdowns occur, phone lines could be redirected

through Central Telephone.

"Right now, it would be a question of who buys rights from whom," Helwig said. "The divestiture of AT&T in 1983 by the FCC looked to promote competition for long distance between major long-distance companies and local exchange companies. This has left much confusion."

There are no technological reasons why channels between the three companies could not be established, and once preliminary cables were laid, there would be no real increase in costs, he added.

The Task Force, a citizens group, organized in December in response to a large number of phone service complaints.

### Campus Calendar

The DTH Campus Calendar appears daily. Announcements must be placed in the box outside The Daily Tar Heel office, 104 Union, by noon one day before — weekend announcements by noon Wednesday. Only announcements from University-recognized campus organizations will be printed.

### Tuesday

1 p.m. **Career Planning and Placement Services** will hold an on-site interviewing workshop in 306 Hanes.

2 p.m. **Career Planning and Placement Services** will hold a career workshop in the Union auditorium, with similar meetings to follow at 4 p.m. and 6:30 p.m.

3:30 p.m. **Career Planning and Placement Services** will hold an internship and academic credit workshop in 210 Hanes.

**Russian and East European Studies Curriculum** will sponsor a public lecture by Robert Rupen on "The Evil Empire: A History of Negative Assessment of Russia," in 355 Hamilton.

5:30 p.m. **The University Budget Committee** of the executive branch of the Student Government will meet in 218 Union.

7 p.m. **N.C. Student Legislature** will meet in 226 Union.

**Alpha Epsilon Delta**, the pre-med/pre-dental honor

society, will hold a tour of the anatomy labs by Dr. Hensen.

**UNC Students for Healthy Living** will meet in the Health Education Section on the second floor of Student Health Services.

7:30 p.m. **The Association of Political Science Students** will meet in the South Gallery of the Union.

**Chimera** will meet in 220 Union.

8 p.m. **UNC Young Democrats** will meet in 224 Union to discuss election day plans. **UNC Jazz Band** will perform in the auditorium in Hill Hall.

### Items of Interest

Registration forms for "Assessing Your Style: Situational Leadership" are due today, Oct. 28. Contact the Office of Leadership for more information and turn in incomplete forms to Lenora Johnson.

Student Television is now accepting applications for "Love Match," UNC's version of the "Dating Game." Pick up applications at the Union desk or the STV office (Suite D of the Union). Due by Oct. 29.

Attention English majors! Adviser's appointment sheets for preregistration for Spring 1987 are posted on the bulletin board across from 212 Greenlaw.

The Student Stores, in cooperation with the Art Club, is displaying student artwork on a monthly basis in the Art Supplies department.

Applications are now being accepted for the Great Decisions '87 coordinating committee. Information and applications available at the Office of International Programs in Caldwell Hall and at the Union Desk.

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the package, a real process of the elimination of nuclear weapons would have got underway," Gorbachev said.

"The situation after the Reykjavik meeting, in spite of the well-known provocative actions of the U.S. administration and the gross misrepresentation of what came to pass at the Iceland meeting, still offers opportunities for a search for solutions," he said.

In accusing the United States of "misrepresentation," Gorbachev apparently was referring to the dispute over what he and Reagan had tentatively agreed to at the summit.

There is no argument that both sides wanted to reduce strategic nuclear weapons by 50 percent over five years. But Gorbachev and Reagan now argue over what they said they were willing to eliminate in the five years after that.

Gorbachev has said Reagan agreed to the elimination of all strategic weapons during the second five-year period.

But Reagan has said he agreed to eliminate only ballistic missiles fired from land and sea, leaving some cruise missiles on heavy bombers.

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