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Karl Kimball of Hillandale Golf Course faxes a stack of petitions to the legislature.
CHUCK LIDDY, Staff photo by Chuck Liddy



Hillandale Golf Course instructor David Bass helps Jacob Russell, 14, during a golf lesson on the public course's driving range in Durham.
CHUCK LIDDY, Staff photo by Chuck Liddy

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Some fear tax will drive away golfers

The golf industry is taking swings at a proposal to tax recreational activities

BY KEVIN KILEY, Staff Writer

If Del Ratcliffe thought he could charge people more than \$30 to play golf at his Charles T. Meyers Golf Course, one of the five Charlotte-area courses he owns, he would. But he says people would spend their money elsewhere.

But state lawmakers might be increasing his prices against his will. When they started knocking around various tax proposals, legislators hit one right at the golf industry. And the sport, already facing a slowdown, is organizing quickly to dodge it.

"Believe me, if we could charge 7 percent more and do the same volume, we would already be doing it," said Ratcliffe, who is president of the N.C. Golf Course Owners Association. "The fact is that people are not going to play as much golf as they have, and that's bad for the state."

Industry representatives fear that a proposed tax on greens fees could drive business away

from one of the state's most important industries, especially at a time when people are slicing their personal budgets.

"If people have to cut their spending, they're going to cut the discretionary activities like golf," Ratcliffe said.

In budget talks at the legislature, the Senate has been pushing to restructure the state's tax system by broadening the sales tax base to include services. Among the services that would be taxed are "recreation and entertainment" activities such as golf, rafting trips and amusement park admissions.

"Our goal all along has been to restructure the tax system," said Sen. Dan Clodfelter, a Charlotte Democrat. "If we spread the tax rate out, we can lower it for everybody."

Gov. Beverly Perdue included the recreation tax in the \$1.6 billion menu of options she gave Senate and House leaders last week. Democratic leaders say these taxes are necessary to prevent deep cuts in education, health care and other services.

"The governor feels very strongly that the state should raise enough revenue to protect core services, in particular education, public safety and public health," said Chrissy Pearson, Perdue's press secretary.

Lawmakers are struggling to reach an agreement on which taxes to raise, and not everyone is on board with the idea of taxing golf and other forms of recreation.

Rep. Pryor Gibson, a Wadesboro Democrat, says golf can be punishing enough without imposing a new tax on the game.

"The tax on golf is the cost of shanking a golf ball into the water," Gibson joked.

A big industry

Golf is big business in North Carolina, with hundreds of public, private and resort courses across the state. Pinehurst No. 2 is one of the best-known courses in the world, having played host to the U.S. Open in 2005. Golf legend Arnold Palmer played collegiately at Wake Forest.

The golf industry has a \$5.3 billion impact on the state annually, and about 70,000 people are in jobs related to the sport, according to a 2007 study funded by golf course owners.

Course owners and employees say North Carolina should be doing everything it can to avoid burdening an industry that they say rivals technology and agriculture in how much money it brings to the state.

"I can't imagine the legislature doing something to tax scientific research and development, or the production of food in North Carolina," said Brian Powell, chairman of the legislative committee of the Carolina Golf Course Superintendents Association. He said golf already pays its fair share in property taxes and sales taxes on equipment and merchandise.

The proposal would apply to the cost of a round of golf, which tends to run from \$20 to more than \$100, depending on the course. Owners said any added cost at a time when more courses are closing than opening could drive away players and revenue.

Karl Kimball, who runs Hillandale golf course in Durham, said the sport has an unfair stigma as a game for the wealthy. He said the tax would marginalize the blue-collar workers and families that make up the majority of his customers, who pay \$20 to play a round during the week.

"This isn't about a rich people's game," he said. "This is about a dad bringing his two daughters to the putting green and putting."

Some fear ripple effect

Owners say they are also worried about competition from other states. Courses in the southeast corner of North Carolina must contend with courses in Myrtle Beach. Charlotte courses face stiff

competition across the border in South Carolina, which imposes a similar tax but uses it to promote tourism.

North Carolina golf course owners say the tax would not just hurt their business, but also that of companies tied to the sport, such as manufacturers and distributors of lawn care tools. It is also tied to tourism.

"A lot of people think of golf, and they tend to think of a luxury sport, something that people with money do," said Turner Revels, owner of Revels Turf and Tractor in Fuquay-Varina, a distributor of John Deere products. "They don't realize the impact that golf has on the economy. There are a lot of people involved that don't play golf."

Staff writer Benjamin Niolet contributed to this report.

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Monday-Thursday rates around N.C.

No. 2, Pinehurst: \$410

Laurel Ridge Country Club, Waynesville: \$81

Oyster Bay Golf Links, Sunset Beach: \$70

Renaissance Park Golf Course, Charlotte: \$38

Hillandale Golf Course, Durham: \$20

Knights Play Par 3 Golf Course, Apex: \$12

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