



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

For Immediate Release

Wednesday, June 23, 2004

Grassley, Baucus Continue Review of Rare Instrument Transactions

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, and Sen. Max Baucus, ranking member, today continued their review of transactions involving rare musical instruments. The senators today sent a follow-up letter as part of their ongoing review of in-kind donations and other transactions involving charities.

June 23, 2004

Mr. Simon Woods
President and Chief Executive Officer
New Jersey Symphony Orchestra
2 Central Avenue
Newark, NJ 07102

Dear Mr. Woods:

The Senate Finance Committee is conducting an ongoing review of in-kind donations to charities. The findings of this review have been troubling, indicating that too many taxpayers are taking highly-inflated values for in-kind donations – be it cars, land, intellectual property, or other types of in-kind property.

The Finance Committee has recently become aware of questions surrounding the purchase of rare instruments, including Stradivarius violins, by the New Jersey Symphony Orchestra from Herbert R. Axelrod. The transaction, which involved the sale of a multi-million dollar instrument collection for less than half of its appraised value, raises serious questions about what tax benefits have been claimed.

We would appreciate the New Jersey Symphony Orchestra providing all material in its possession or control regarding this transaction, including a copy of the IRS Form 8283 ("Noncash Charitable Contributions"), if any, for this transaction, particularly material regarding valuation for a purchase and for insurance purposes.

Thank you for your time and assistance. We would ask for a response within 30 days.

Cordially yours,

Charles E. Grassley
Chairman

Max Baucus
Ranking Member