

Panel, IRS In Foreign Territory

4/17/74
By John P. MacKenzie
Washington Post Staff Writer

The combined forces of the Joint Congressional Committee on Internal Revenue Taxation and the Internal Revenue Service traveled in uncharted areas of tax law to arrive at President Nixon's tax bill of \$432,787 plus interest.

Working together since last December, the committee staff and the IRS immersed themselves in the law of presidential property, where experts freely admit there are no final answers, and such novel questions as whether a President realizes personal income when his family travels on personal business in government aircraft.

How the IRS resolved these and other questions remained a secret last night even after the committee staff released its massive report giving its own conclusions.

It was the White House, not the IRS, that disclosed that the IRS had gone along with the committee staff on the bulk of the staff's proposed accounting. The White

House statement also disclosed that the IRS had a report of its own, which, according to the statement, rebuts any suggestion of fraud on the part of the President.

IRS Commissioner Donald C. Alexander withheld comment last night on the White House disclosures, including the news that Mr. Nixon would pay the amount called for by the IRS.

Thus it could not be learned whether the IRS accepted the staff view on a basic, sharply contested issue: to what extent does a public official actually own official documents so that he can take a personal tax deduction when he gives them to the United States?

The staff said it was willing to accept the principle of personal ownership because of its long history of apparent acceptance by government.

But that did not end the inquiry into the validity of the gift of pre-presidential papers. The staff found the gift defective for tax purposes, chiefly because of the restrictions Mr. Nixon put on access to the documents deposited in the National Archives.

According to the staff, the restrictions were not clear until 1970, well after the July, 1969, cutoff for tax deductions under tax reform legislation, and so the gift was not complete in 1969 without the deed that specified the restrictions. The deed was missing and the burden was on the taxpayer to produce it.