

transcribed from tape

The Joint Congressional Committee investigating President Nixon's tax situation is to receive its staff report tomorrow in Washington, and that report will apparently be made public shortly after the committee members themselves first see it. Meanwhile, today in Sacramento, State Assembly Speaker and Democratic gubernatorial candidate Bob Moretti acted on the suggestion that there also be a state legislative investigation of Nixon income tax returns. John Roberts reports from Sacramento.

Roberts: Assembly Speaker Bob Moretti today took swift action to implement the request of Assemblyman Ken Cory and Board of Equalization member William Bennett to investigate President Nixon's California tax liability. Moretti told a news conference in his office this morning that he has asked the Assembly Revenue and Taxation Committee to begin an immediate investigation of the Nixon tax liability owed to California. Cory and Bennett asked the Speaker and Senate President Pro Tem James Mills to convene a joint legislative committee, but Moretti said today he did not wish to convene another special committee and that the matter could be handled by the Revenue and Taxation Committee in the Assembly.

Moretti told reporters that the average Californian would not have experienced the delay that had been afforded the President. He said that he knows of no precedent where a state agency has backed off on a matter just because there was a Congressional investigation under way.

But Martin Hoff [phonetic], executive director of the State Franchise Tax Board, announced that for tax purposes President Nixon is not a California resident. This is because he's not domiciled in California on a full-time basis. But Speaker Moretti feels that the President has to owe the State of California some taxes because the President considers himself a California resident.

Moretti: Yes, he has to owe something. There's no way he cannot owe some [one word garbled]. He is a resident of this state, we have a minimum income tax in the State of California, so there is no way that he cannot owe any money.

Comment from a reporter: [Garbled - The Franchise Tax Board?] says he's not a resident for tax purposes.

Moretti: When a man votes here he declares himself to be a resident of this state, and even if the Franchise Tax Board is correct with regard to his income tax, he has had capital gains in the State of California by virtue of the sale of some of the property down in San Clemente, so he owes this state some money, and there's no question in my mind about that.

Roberts: Moretti said that California law was changed in 1971, establishing a minimum tax law, meaning that everyone has to at least file a tax return, something that President Nixon's attorneys have admitted the President has not done since 1969, and that is when Nixon declared himself a California resident, when he registered to vote at his

San Clemente home.

Moretti said the Franchise Tax Board would not hold off on trying to collect tax money owed from anybody but the President, and also that California tax law is not identical to Federal tax law. President Nixon's California tax liability will be different than his Federal tax liability, so, in Moretti's opinion, there is no reason for the Franchise Tax Board to wait for the release of information from a Congressional inquiry which is expected to be released by the Congressional committee tomorrow.

The convening of the investigation by the Assembly Revenue and Taxation Committee gives the committee chairman, Assemblyman Joe Gonzales, a Democrat from Los Angeles County, access to President Nixon's California tax files. This is authorized under Section 19/284 of the revenue and taxation code of California. According to this code section, the committee chairman can examine the file of any California taxpayer but he cannot release specific information. He can share the information and facts he ascertains with other committee members, but still not releasing specific data. Upon completion of the investigation by the Revenue and Taxation Committee, they can make recommendations to the Franchise Tax Board, but the board, if they desire, can ignore the recommendations.

John Roberts, Pacifica Radio, in the State Capitol.