

Nixon Taxes--New Report

Washington

The White House refused to confirm or deny yesterday a report that President and Mrs. Nixon had paid less than \$800 in federal income taxes in 1970 and less than \$900 in 1971, despite an income in excess of \$200,000 a year.

Assertions that the Nixons paid these modest amounts of income tax — less than the average family's — were published yesterday by the Providence (R.I.) Journal-Bulletin.

The newspaper said that "documents provided by government sources" showed that the Nixons paid \$792.81 in federal income taxes in 1970 and \$878.03 in 1971.

That was about the same tax as would have been paid by a family of three with an income between \$8450 and \$8500 in 1971. In both years, families at these income levels were somewhat below the mid-point of income for all families in the nation.

The Journal-Bulletin reported that the Nixons received large refunds of taxes paid in both 1970 and 1971. In 1970 the refund was said to have been \$72,614.43, and in 1971, \$58,889.41.

The refunds were presumably of money that had been withheld from Mr. Nixon's \$200,000 annual salary as President, plus money that he may have paid on the quarterly return of estimated taxes that is supposed to be filed by married couples

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with an anticipated income of \$20,000 or more.

If the Nixons were claiming three personal exemptions in those years — probably were because their oldest daughter, Tricia, was living with them and unmarried until June, 1971 — \$67,181.02 would have been withheld from the President's paycheck for federal income taxes.

The fact the reported refund for 1970 was larger than the amount that was

presumably withheld indicated that the Nixons had paid some additional tax on their quarterly estimate. This might have occurred because they did not realize, early in the year, what huge deductions they would claim that would almost completely wipe out their tax liability.

Deputy White House Press Secretary Gerald L. Warren refused to make any substantive response to the Journal-Bulletin article.

He repeated, in essence, what Mr. Nixon himself and Warren have said on the subject before, that the President had "followed normal procedures" in filing his income taxes in the years in question and that his returns for 1971 and 1972 had received "a complete audit" and were accepted as filed without change.

No information about who did the audits has been made public. The Internal Revenue Service, as a matter of policy, would not even confirm Mr. Nixon's statement that he had been audited.

Tax experts outside the government said that the figures published by the Journal-Bulletin seemed plausible, in light of what is already known about the large deductions that the Nixons have said they claimed, or have appeared eligible to claim, in 1970 and 1971.

The legality of some of the deductions has not been questioned by anyone. These are the deductions for the interest payments on the loans the Nixons made to finance their purchases of property in San Clemente, Calif., and Key Biscayne, Fla.

The legality of the largest single deduction has been challenged, however, by a public-interest law group, tax analysts and advocates.

This was a deduction of \$570,000, spread over several years, which the White House has said the Nixons were taking as the value of their gift of Mr. Nixon's vice-presidential papers to the National Archives.

Deductions for such gifts were disallowed, by a

change in the tax laws, effective in mid-1969. Mr. Nixon has claimed that he made the donation before the cutoff date but tax analysts have presented evidence that he did not.

The Journal-Bulletin article stated explicitly that the newspaper had not seen the Nixons' tax return, which is kept, along with the returns of all presidents back to the first who had to pay an income tax, Woodrow Wilson, in a safe just outside the office of the Commissioner of Internal Revenue.

Persons familiar with Internal Revenue procedures said that the two simple pieces of information on the taxes paid by the Nixons and the refunds they received would be stored in Internal Revenue computers, by name.

A number of persons in each of several locations would have access to this information, they said. Any Internal Revenue Service employee who disclosed the information would be violating the law and subject to a jail sentence of one year and a fine of \$1000. These are the same penalties that apply to disclosure of any information on any individual's tax return.

The article in the Bulletin-Journal supported the assertion of an anonymous White House official, who said last month that the President and Mrs. Nixon had paid some federal income tax every year of his presidency.

The Baltimore Sun and the New York Times have both published articles stating that while it was not known what taxes the Nixons paid, the deductions they were presumed to have claimed would have wiped out their entire tax liability in 1970 and possibly also in 1971.

New York Times