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**CALIFORNIA RULES
ON NIXON'S TAXES**

**Official Finds President and
Wife Are Nonresidents**

Special to The New York Times

SACRAMENTO, Calif., Feb. 1 — President and Mrs. Nixon are not California residents for state income tax purposes, Martin Huff, executive officer of the Franchise Tax Board, ruled today.

His ruling left open, however, the question whether any of the President's income that may derive from California was taxable by the state.

The board is the agency that administers the state income tax. It has delegated to Mr. Huff the authority to make legal determinations as to who is liable to taxation.

The decision drew an immediate dissent from William M. Bennett, a member of the State Board of Equalization, another tax agency.

"Mr. Nixon maintained and stated under penalty of perjury, on his form 1040, filed in 1969, that San Clemente, Calif., was his permanent residence," Mr. Bennett said.

Mr. Bennett and Mr. Huff are both Democrats serving in a Republican administration under Gov. Ronald Reagan.

The White House said on Dec. 8 that Mr. Nixon had paid no state or local income taxes since becoming President in 1969. It was in 1969 that he bought his San Clemente home and re-established California as his voting residence.

Mr. Huff took the position that the Republican President's domicile was not the controlling factor in determining residency under the state's income tax laws. The major consideration is whether Mr. Nixon's absence from the state is other than transitory and temporary, he said.

Mr. Huff found that each year the President stayed in California less than 15 per cent of the time.

Mr. Bennett declared that every member of the California delegation in Congress could file a claim for a state income tax refund under Mr. Huff's interpretation. "All of the men overseas who spent four or five years in Vietnam and paid taxes after they were drafted should file claims for refund," he declared.

Under Mr. Huff's ruling, Mr. Nixon need not pay state taxes on his \$200,000-a-year salary as President. However, pending a further ruling, he might be assessed for any capital gains he realized on the resale of part of his San Clemente estate.



United Press International
Martin Huff of the California Franchise Tax Board at his news conference.