

# Ford Cleared in Hill, IRS Tax Audits

By Jack Anderson

A confidential audit of Vice President Gerald Ford's taxes proves that not all politicians fudge on their taxes.

Both the Internal Revenue Service and the congressional Joint Committee on Internal Revenue Taxation, which investigated President Nixon's taxes, also audited Ford's returns before he was confirmed as Vice President.

The President is now stuck with a bill for \$476,431 in back taxes and interest after the IRS disallowed several deductions. The Vice President, in contrast, merely had to make a few minor adjustments.

The confidential Ford audit, which we have obtained, portrays an inherently honest man who believes he should bear his fair share of the tax burden.

Ford's returns show a total income of \$224,364.10 for the first three years of the 1970s. He paid \$75,111.44, or about a third of his income, in federal taxes. An additional \$6,261.42 was paid to Michigan in state taxes.

Over the same three-year period, President Nixon reported a total income of \$794,104.85, yet

paid only \$5,969.01 in federal taxes — less than 1 per cent of his income. He paid absolutely nothing in state taxes, despite the fact that he maintains residences in both California and Florida.

Tax agents carefully investigated two accounts that Ford used to pay political bills. The confidential audit says: "Numerous items were considered to be taxable before receiving Mr. Ford's diary and the fact that we were unable to trace trips to certain locations at certain times of the year . . .

"After receiving the diaries . . . all the plane travel tickets and cash advances were accepted as legitimate political expenditures."

This contrasts with the \$27,015 that the joint committee claimed that President Nixon owes the government for travel expenses he couldn't justify.

The IRS disallowed an \$871.44 deduction that Ford took for special clothing he had purchased for the 1972 Republican convention. The joint committee had found this to be a legitimate deduction, but the IRS ruled that the suits were not "unique or distinctive" in

character and, therefore, levied a "tax deficiency" of \$435.77 against Ford. Although he was advised that he could challenge this, he insisted on giving the government the benefit of any doubt and ordered his accountant to write IRS a check.

The tax agents also found that Ford had "overlooked" \$1,167 billed to his political account but actually spent for a family trip to their condominium in the Vail, Colo., ski country. Ford thought he had reimbursed the political account, but immediately ordered the necessary payment when he learned otherwise.

"The analysis of the diaries resulted in several questions," states the audit. "In all cases, the items were found to be correct." The Vice President, in other words, kept scrupulously honest tax records.

The famous date of July 25, 1969, which is at the heart of President Nixon's improper deduction for papers donated to the National Archives, also turned up in the investigation of Ford's taxes.

The tax sleuths checked the

depreciation that Ford had claimed on his Colorado condominium. They "felt that an issue should be raised as to the use of 200 per cent depreciation . . .

"The cutoff date for use of 200 per cent depreciation for this type of property was 7/25/69.

"The records presented to us," the document declares, "substantiated the fact that the purchase contract was signed and an initial deposit was made on 6/25/69, (which) supported the use of both 200 per cent declining-balance depreciation and additional first-year depreciation." In short, the transaction was entirely proper.

Like Mr. Nixon, the Vice President also had a problem with "missing" documents. Some deposit slips for one of Ford's accounts couldn't be found.

The IRS "requested these and received some of them, but were told that the balance of the missing deposit slips could not be found. However, with the use of the diary and Mr. Ford's and Mr. Buchen's (a former Ford law partner) assistance, most of the unidentified deposits were explained."

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