

'73 Tax Bill

By Dick Barnes
Associated Press

An estimate of President Nixon's forthcoming tax return for 1973 shows he will have to pay more than \$100,000 from his income of \$300,000.

Mr. Nixon will owe a \$40,000 balance with his return despite regular withholding from his salary for some of his tax bill, the estimate finds.

That would be one more heavy bill atop the \$467,000 he has already agreed to pay for back taxes and interest from 1969-72 and a \$243,660 mortgage and interest payment due in July on his San Clement, Calif., estate.

The estimate of Mr. Nixon's 1973 tax return was prepared by The Associated Press in consultation with a professional tax expert after complex revisions in Mr. Nixon's four previous returns were completed last week by the Internal Revenue Service.

Mr. Nixon's 1973 return and final payment normally would be due April 15. But his accountant says he has obtained an extension of the filing date due to the IRS findings.

The estimated calculation of President and Mrs. Nixon's 1973 return places his taxes for the year at \$109,310, and his income at \$303,723. According to White House figures, \$67,940 has already been withheld from the President's paychecks for taxes, and he also left \$1,000 with the government from a 1972 tax refund to be applied against 1973 taxes.

That would leave a balance due of \$40,370.

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The calculation was based on personal financial data the President made public Dec. 8, findings of the IRS announced by the White House, a 994-page document concerning Mr. Nixon's taxes released April 3 by the Joint Congressional Committee on Internal Revenue Taxation, and county property tax data in Florida and California.

The committee staff and IRS agreed on disallowing a number of contested deductions taken by Mr. Nixon during 1969-72, and on other modifications in the President's returns. These findings led Nixon to agree to pay \$432,787 in back taxes, plus interest.

The President has previously paid \$78,651 for those four years, most of it in 1969. His tax had been reduced principally due to deductions for a gift of prepresidential papers to the government. The IRS disallowed the deduction.

Here with estimates used where specific figures are not available, is how the President's return for 1973 may look:

Mr. Nixon received a \$200,000 salary and \$50,000 expense allowance, unchanged from his past years as President.

His interest income is estimated at \$13,409, principally from certificates of deposit which totalled \$300,000 at year's end, and also from other bank accounts.

He had a capital gain of \$82,229 from final payments received on two lots in Key Biscayne, Fla., sold late in

1972. He allocated part of this gain to his daughter Tricia in his 1972 return, but IRS determined it all should be allocated to Mr. Nixon. Due to favorable tax treatment for capital gains, only half of this gain is taxed.

Mr. Nixon has received nominal royalties in recent years from his book, "Six Crises." These totaled \$220.58 in 1972, and there is no indication they were markedly different in 1973. A \$200 estimate was used.

Mr. Nixon also owns a modest house on a valuable parcel of land in Whittier, Calif., which he rents to the East Whittier Friends Church for \$50 a month. His annual loss on this holding in recent years has average \$6,000.

The IRS and joint committee staff both said Mr. Nixon should declare as income the value of government airplane rides taken by his family when he was not along. But the committee said Mr. Nixon has generally been reimbursing the government for such flights since the 1972 election. In this calculation for 1973, no income is added for the value of such trips.

The IRS and joint committee found against a number of business-related deductions Mr. Nixon had taken in past years, including maintenance costs at his San Clemente, Calif., estate and the cost of food furnished by the White House mess to Nixon family members and guests away from Washington. But the

President still has available substantial other deductions.

Property taxes were \$3,445 and \$2,415 for his two houses in Key Biscayne, Fla., according to Dade County tax records. Taxes at San Clemente were perhaps \$19,325, based on Orange County tax records and indications of past prorating of taxes between Mr. Nixon and his friend Robert Abplanalp, who also owns some of the property in what is carried as a single parcel on tax records.

The joint committee staff said \$59 was appropriate gasoline tax for a pickup truck used at San Clemente during 1972 and said the President could justify a \$550 sales tax deduction that year. These figures are used again for 1973.

The President paid an estimated \$30,896 in mortgage interest. He also paid daughter Tricia \$65,000 based on what Mr. Nixon intended to be her share of the proceeds from the sale of the Key Biscayne lots.

The joint committee staff, while finding against Tricia's participation in that deal, said some of the payment could be considered interest on a 1967 loan of \$20,000 Mr. Nixon had accepted from Tricia. That interest deduction would figure out to \$6,838.

The cost of help in preparing a tax return is deductible, and Mr. Nixon's recent payments to accountant Arthur Blech for this service have run about \$4,250 a year.