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Humphrey to Repay Tax

Writeoffs

SFChronicle

Minneapolis

Senator Hubert H. Humphrey (Dem-Minn.) has signed an agreement with the Internal Revenue Service to surrender all income tax deduction claims for the vice presidential papers he has donated to the Minnesota State Historical Society.

Exactly how much Humphrey will pay back to the Treasury in adjustments for the affected years, 1969-72, is yet to be determined by the IRS, Joe A. Walters, his lawyer, said in an interview.

Although Walters said he could not speculate on Humphrey's obligation, by one rough estimate the settlement could cost the senator as much as \$199,000.

Walters said he had advised Humphrey that he had good grounds on which to contest the heretofore secret IRS finding, but the senator said in Washington yesterday that he would not appeal the decision and "upon receipt of a bill from the IRS, I will reimburse the government for the deductions that have been taken.

Humphrey issued a statement that said, in part:

"The Internal Revenue Service raised a question as



UPI Photo

SEN. HUMPHREY Agreement with IRS

to whether the contribution of my vice presidential papers to the historical society qualifies as a charitable deduction for tax purposes.

"It was the viewpoint of the IRS examiner who audited my tax returns that it did not. His decision was a result of the fact that I retained certain controls over

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S.F. Rainfall

(in inches)

Storm to date	.86
Season to date	12.38
Normal to date	16.80
Last year to date	20.74
Seasonal normal	20.66

(Season: July 1, to June 30)

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access to the papers for a period of time.

"Restrictions on access were necessary, for a period, simply because these papers contain the personal correspondence with heads of state, classified information as defined by federal law, and certain other personal and confidential documents. The only issue was the restriction on access. The papers all were delivered within the terms of the law. In other words, the historical society had possession of the papers within the time frame indicated by law.

"Rather than appeal this decision to higher authority, it was my decision to resolve the doubts in favor of the Treasury."

Humphrey's appraiser of the material housed in 2755 boxes was Ralph G. Newman, who was indicted last month on charges of helping to fake a \$576,000 appraisal for a tax break requested by former President Nixon who sent his vice presidential papers to the National Archives.

However, the Newman appraisal, as such, was not questioned in the Humphrey case, according to Walters.

On Dec. 21, 1973, Hum-

phrey, prompted by questions from reporters that followed Mr. Nixon's personal finance disclosures, revealed that he had donated his vice presidential papers, valued at \$309,475, to the State Historical Society in St. Paul.

Humphrey said then that he had claimed federal income tax deductions totaling \$199,153 on gifts of these papers from 1969 through 1972. That left a carryover of \$110,322 that he intended to use for future deductions but which he will now forget because of the IRS audit settlement.

Walters said there would be the usual six per cent in-

terest assessment, but he stressed that the case, which was resolved at the local field office level, involves neither penalties nor allegations of fraud nor charges of falsified deeds of gift.

Washington Post