

# State Ruling On Nixon Tax Status

## Sacramento

Richard Nixon's presidential salary is exempt from California state income taxes, but he may owe taxes on income originating in his native state, state officials said yesterday.

Mr. Nixon was not an official resident of California for tax purposes during 1969-73, according to a ruling by Martin Huff, executive officer of the Franchise Tax Board, the state's income tax agency.

But he is "domiciled" in the state and some of his income might be taxable, Huff said.

In explaining the complex decision, Huff said, "If you're a resident, we tax you on all your income. If you're a nonresident, then there's a limit to what we can reach."

Huff refused to speculate

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on what California-source income Mr. Nixon might have that would be taxable, or what amount of taxes might be owed, if any.

A decision on whether such taxes are owed will be made after Congress' Joint Committee on Internal Revenue Taxation completes its review of the President's taxes, Huff said at a news conference.

Even if Mr. Nixon has any such income, it likely would be offset by deductions, Nixon tax attorney Dean S. Butler said later in an interview.

Huff said the President and Mrs. Nixon are "domiciled" in California on the basis that he calls San Clemente his home and plans to live in the state after he leaves the presidency.

But the turning point of the decision was whether Mr. Nixon was outside the state for more than a "temporary or transitory" purpose.

Huff concluded he was, commenting, "The President's presence in Washington, D.C. on a regular basis is required by the duties of his office."

He outlined a number of contacts the Nixons have with California — where he launched his political career 28 years ago — including the fact his dogs are registered



UPI Telephoto

MARTIN HUFF  
State tax chief

in the state.

But he said, "The enumeration shows a relative lack of major California contacts and indicates that the absence from the state is other than temporary or transitory."

While Huff declined to say what taxable California income Mr. Nixon might have, congressional investigators are looking into a \$117,370 profit Mr. Nixon made on a San Clemente land transaction. Mr. Nixon's financial advisers contend the income was exempt from taxes.

Mr. Nixon also rents out the family home in Whittier, but the income is small.

*Associated Press*