

## Millionaires could get big tax bills

WASHINGTON — Fallout from President Nixon's \$465,000 brush with the Internal Revenue Service could mean heftier federal tax bills for millionaires next year and for years thereafter.

That is the unanimous view of tax authorities who are well versed in the workings of Congress and the impact of public opinion on tax legislation.

They see a "tax revolt" akin to the unrest that led to the Tax Reform Act of 1969, but this time aimed at eliminating some of the shelters President Nixon attempted to use with disastrously mixed results to insulate his income from the tax collector.

Here are the top targets of the tax reformers:

- The minimum tax. En-

acted in 1969, the minimum tax is so riddled with exemptions it's been only marginally effective: in 1972, 402 individuals with incomes over \$100,000 paid no federal income tax.

President Nixon used the \$30,000 annual exemption in the minimum tax to escape — legally — taxation on \$58,448.61 in tax-sheltered income in 1970, 1971, and 1972. He also benefitted from the

fact that the minimum tax does not apply to personal deductions.

- Capital gains. The government's half-century-old practice of taxing profits from real estate and stocks at preferentially low rates is receiving renewed attention as a result of the President's capital gains on his New York apartment, San Clemente and Key Biscayne retreats.

### as result of Nixon case

Reformers agree that it's not right that the wealthiest one percent of the population — those with incomes of \$100,000 or more — are reaping half of the \$7 billion and more this tax concession is costing the U.S. Treasury.

- Tax-exempt interest. Another frequent target of reformers is the ever-growing volume of state and local government bonds whose tax-exempt interest

— although low — is a favorite tax shelter of the very, very, very wealthy. The experts contend that Uncle Sam could subsidize states and localities by almost a billion dollars to get them out of the tax-exempt bond business and still come out ahead.

- Estate and gift taxation. This one of on everybody's tax reform list, particularly "generation skip-

ping," a practice sanctioned by the present law wherein a rich man's fortune can be passed along to his heirs virtually unscathed by the tax collector.

The House Ways and Means committee is scheduled to take up tax reform matters this year, and what results will largely depend on the intensity of the public demand for meaningful change.