

NYTimes APR 13 1974
Nixons Assessed \$4,302
By California Tax Board

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SACRAMENTO, Calif., April 12—The state franchise tax board ruled today that President and Mrs. Nixon owed \$4,302 for 1969 and 1970 on that part of their income earned in California.

Martin Huff, executive officer of the board, said the assessment resulted from an inquiry requested by the Joint Committee on Internal Revenue of the California Legislature. He said that no liability had been found for 1971 and 1972

because the President had allowable deductions to offset his California income.

The state prorated part of Mr. Nixon's salary as California income on the basis of the time he was at San Clemente on his various "working vacations."

Other income on which the assessment was based included 50 per cent (\$58,918) of a 1970 capital gain on the sale of part of his San Clemente estate; \$8,880 in royalty income from the sale of his book, "Six Crises"; 94 days of salary earned in two years, and \$322 of income from his mother's estate.

Mr. Huff explained that interest at 6 per cent on the delayed settlement of the tax would be almost \$1,000.

Asked at a news conference whether any criminal negligence was involved in the President's failure heretofore to file tax returns in California, Mr. Huff said there was not. He said there was no evidence of any willful intention to avoid payment of taxes. He announced that the President's attorneys had agreed to pay the assessment promptly.

Several weeks ago Mr. Huff announced a ruling that the Nixons did not qualify as residents because they are domiciled in California only a small part of the year.

"The taxpayers and their representatives have extended the finest cooperation and assist-

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ance in this matter," Mr. Huff said. "In addition, all requests for additional information with respect to California source income and California income tax liability has been furnished promptly."

The state found that Mr. Nixon's taxable income for 1969 was \$55,553, resulting in a tax of \$4,107. For 1970 the income was \$9,544 and the tax was \$156. For 1971 and 1972 deductions canceled the income, causing an income deficit of \$31,632 for 1971 and \$38,508 for 1972.

Heavy interest payments involving the Nixons' property amounting to \$92,955 in 1970, \$50,000 in 1971 and \$38,862 in 1972 were among the deductions that made his 1970 tax so small and the 1971 and 1972 taxes nothing.

For Contributions

In 1969 and 1970 the President was allowed the following deductions for contributions: University of California at Los Angeles Alumni Association, \$100; Whittier College, \$500; East Whittier Friends Church, \$250, and East Whittier Y.M.C.A., \$250. In 1971 he had a \$10,385 deduction for his help in setting up the library in California for his Presidential papers. In 1971 he also gave \$1,000 to the Friends Church and \$100 to Whittier College. In 1972 he contributed \$200 to the Southern California School of Theology.

The franchise tax board is composed of the state controller, the state director of finance and the chairman of the state board of equalization. William M. Bennett, a member of both the board of equalization and the franchise tax board, has been spearheading



Associated Press

Martin Huff of the California tax board at news session in Sacramento.

a campaign to force the Nixons to pay taxes in California.

The controller, Houston I. Flournoy, is a Republican candidate for Governor in the June 4 primary election. He noted that as a result of the controversy over the Nixons' residency status, a bill had been introduced to make all elected officials from California residents of the state.

"Now I urge the legislature to act speedily on the bill," he commented today.

Subpoena Not Served

SANTA ANA, Calif., April 12 (AP)—A subpoena issued for President Nixon to appear in Orange County Superior Court could not be served, and the man who had requested it said it was merely a "legal ploy."

The subpoena called for the President to appear today as a witness in a lawsuit challenging the assessed value of the Western White House in San Clemente.

An assistant to the Orange County supervisor, Robert Battin, who had requested the subpoena, said he had been advised by process servers that they tried to serve it at the Western White House but failed. The President is in Washington.

Jack Vallerger, an assessor, valued the President's 27-acre coastal estate last year at \$1.37-million. Mr. Battin, a Democratic candidate for lieutenant governor, has said Mr. Nixon paid \$1.5-million for the home in 1969 and it is now worth \$1.8-million and should be taxed accordingly.

Tax in N.Y. Studied

ALBANY, April 12 (AP)—The New York State Tax Department is studying the possibility that President Nixon owes back taxes to the state, a department official said today. John F. Donovan, director of the income tax bureau, said the sale of Mr. Nixon's Manhattan apartment in 1969 was one of the areas being studied.