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# California tax surprise

United Press

WASHINGTON — President Nixon paid no California state income taxes from 1969 through 1972, White House officials said yesterday.

He was not personally aware that he had not paid state taxes, they said, and he expressed great surprise when informed of it Friday. The disclosure was part of the effort by Nixon aides to fully air his finances.

White House aides said the decision not to pay state taxes was legal, and it was made after Nixon's lawyers and his accountants consulted with state tax officials and an outside legal source.

A "ball park" estimate, they said, would be that Nixon saved \$15,000 or \$16,000 by his attorney's opinion that he was not required to pay California taxes those four years. But if he had paid, he would have been able to deduct that payment from his federal income taxes.

The decision, they said, was based on California sta-

utes that differentiate between a domicile and a residence. A domicile is required for voting in California, but a person actually must reside in the state to be liable for state taxes. Thus Nixon, who stays at his Casa Pacifica villa in San

Clemente about two months each year, is a Californian for purposes of voting but not for taxation, they said.

But a California tax official said yesterday there is

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— From Page 1 other citizen.

a "serious question" about Nixon's claim of exemption.

William M. Bennett, one of three members of the state Franchise Tax board and chairman of the tax-collecting Board of Equalization, said the fact that the President is registered to vote in California indicates he is a resident.

At Bennett's request, the Franchise Tax Board will include the question of Nixon's tax status on the agenda for its regular meeting Tuesday in Sacramento.

The other members of the board who will discuss the case are both Republicans — Verne Orr, finance director for Gov. Ronald Reagan, and State Controller Houston Flournoy,

Through an aide, Flournoy said the matter of tax liability is "confidential, and this includes the President of the United States. If the matter of the President's tax liability is brought before the board, it will be treated in the same manner as any

The issue of confidentiality was disputed by Bennett, who said the discussion will not involve private tax records.

Nixon also does not pay any District of Columbia taxes, the White House aides added, because the law provides that elected officials are exempt from district taxation. The last state tax Nixon paid was in New York state in 1969 for his 1968 income, and that tax totaled \$7,351.

The decision that the President was a visitor rather than a legal resident of California was made by his California law firm of Kalmbach, DeMarco, Knapp and Chillingworth, and his accountant Arthur Blech.

They received an opinion late in 1969 from the state tax department that Nixon would not be liable to the income tax, and also an outside opinion from a second law firm, the White House officials said.