

## ...Mr. Nixon's Taxes

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The controversy over President Nixon's taxes encompasses the question of ownership of public papers but goes well beyond it. In his case, there are serious factual issues that raise the possibility of criminal fraud.

The 1969 tax law forbade a deduction for papers donated after July 25 of that year. It is alleged that the papers on which Mr. Nixon claimed a \$95,000 deduction that year were not placed under control of the National Archives until November. Moreover, it is charged that the deed of gift was signed not by the President but by one of his lawyers although the latter had no power of attorney to make such a gift. Does this mean the facts were reconstructed, so to speak, once it became known that Congress had set the July 25 deadline?

Unrelated to the donation of official papers, there are three other issues outstanding in Mr. Nixon's tax returns. For different tax purposes, he has claimed both California and the District of Columbia as his permanent residence but he has paid income taxes to neither. He has deducted 100 per cent of his expenses at his Key Biscayne residence when the normal practice for other taxpayers is to allocate as tax deductible only that portion of a residence that is actually used for business purposes. Finally, it seems almost beyond dispute that Mr. Nixon enjoyed a capital gain when he sold most of the land surrounding his San Clemente estate at a favorable price to his friends, C. G. Rebozo and Robert Abplanalp. Yet no tax was paid on this profitable transaction.

It rather muddied the water for Mr. Nixon to refer some but not all of these tax issues to the Congressional Joint Committee on Internal Revenue Taxation, a political body that has no legal authority to determine what he owes. Fortunately, in response to public pressure, the Internal Revenue Service, the agency charged by law to enforce the Tax Code, has reopened Mr. Nixon's file for reconsideration. Presumably this new audit will be more exhaustive than the cursory examination in which the I.R.S. previously disposed of all issues in the President's favor in little more than a week.