

# President Might Pay State Taxes

Washington

President Nixon is described by a White House source as seemingly disposed to pay California income taxes for recent years — a step that could lead to filing amended federal tax returns.

Asked about the Associated Press report at a news briefing yesterday, White House press secretary Ronald L. Ziegler said:

"I'm not prepared to address the matter at this time. We'll address it all at one time."

The source said that if Mr. Nixon paid back taxes in California, he might well amend some of his past federal returns if only to claim the deduction that would be due him for payment of local taxes.

Although the source did not predict it, submission of amended U.S. tax filings would give Mr. Nixon an opportunity to change controversial items on his federal returns voluntarily.

The President, for example, could abandon \$576,000 in deductions for giving vice presidential papers to the government, or report for the first time that he realized a taxable capital gain — as his auditors claim — in selling part of his San Clemente estate.

By voluntarily amending earlier federal returns, Mr. Nixon would avoid the possibility of having his filings challenged by the Internal Revenue Service or the Senate - House committee on Internal Revenue Taxation, both of which are looking into his tax affairs.

During his first four years in office, Mr. Nixon paid about \$80,000 in federal taxes on income of more than \$1 million. He has not paid California income taxes since the 1969 purchase of his San Clemente home, which he lists as his residence.

Associated Press