

Nixon Tax Fallout

Washington

President Nixon's tax case will cost the U.S. government substantial revenue, perhaps \$1 billion, because unhappy taxpayers will claim any questionable deduction this year, a former Internal Revenue Service chief says.

Johnnie M. Walters, who resigned as IRS commissioner last May to practice law here, said in an interview that public disclosure of Mr. Nixon's tax deductions and payments are adversely affecting the tax-collection system.

"Wherever I've been, there's an indicated willingness to claim items that may be questionable to a far greater extent than I've known before," he said. "And this is a view I'm getting from sophisticated people."

The thing that would be most helpful to restore credibility in the tax system would be a full and complete announcement on the IRS decision on Mr. Nixon's tax return, he said. Although this is contrary to the principle of confidentiality of tax returns, Walters said that principle already has been waived by public announcement of the President's tax returns.

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JOHNNIE WALTERS
Former IRS boss