

Flourney 'Thinks'**Nixon Owes State****Sacramento**

President Nixon "very likely" owes the state of California back taxes for the year 1970, the Republican chairman of the state Franchise Tax Board said yesterday.

But there is no evidence that there was any willful attempt by the President to evade taxes, state Controller Houston Flourney said at a press conference.

The White House acknowledged last December that Mr. Nixon has paid no state income taxes since taking office.

Flourney, who is a candidate for the Republican nomination for governor, criticized as "obviously political" the order two days ago by Assembly Speaker Bob Moretti that a legislative committee investigate the President's state taxes.

Moretti is a Democratic candidate for governor.

Flourney said "it is obvious and is apparent he (Mr. Nixon) has to file a return with us."

Flourney cited a Fran-

chise Tax Board ruling that Mr. Nixon is not a California resident for tax purposes.

That would excuse Mr. Nixon from taxes on income earned outside of California, Flourney said, but it would not excuse him from paying state capital gains taxes of approximately five per cent on the 1970 sale of part of his San Clemente estate.

"That is obviously money earned in the state of California," Flourney said.

If news accounts of the sale are accurate, that would mean a past due state tax in excess of \$10,000. But Flourney said he would not speculate on the amount because Mr. Nixon's tax bracket, offsetting deductions and other factors, would also enter into the calculation of tax liability.

The Assembly Revenue and Taxation Committee voted 12 to 0 Wednesday to authorize committee chairman Joe Gonsalves to obtain all information the Franchise Tax Board has on Mr. Nixon's tax status.

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