

NIXON TAX INQUIRY IS CLOSED BY I.R.S. AND CONGRESS UNIT

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But Several Democrats Are
Said to Feel Report Hints
Constitutional Violation

PRESIDENT COMMENDED

Joint Committee Lauds His
'Prompt Decision' to Pay
\$432,787 in Back Levies

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WASHINGTON, April 4—The Internal Revenue Service and the Congressional Joint Committee on Internal Revenue Taxation formally closed today their inquiries into President Nixon's tax payments for his first four years in the White House.

The committee, by a 9-to-1 vote, officially noted its agreement with the substance of most of the recommendations of its staff, which had concluded that Mr. Nixon underpaid his taxes by \$444,022 in the years 1969-72. The sole dissenter from the endorsement of the staff's work was Senator Carl T. Curtis, Republican of Nebraska.

Meanwhile, it was learned that Mr. Nixon's pre-Presidential papers would apparently remain in the National Archives. (Details on Page 19.)

Constitutional Violation

In another development, sources close to the House Judiciary Committee said that several Democrats on that panel were convinced that yesterday's report on President Nixon's taxes pointed to a violation of a constitutional provision prohibiting a President from receiving extra compensation or emoluments. (Details on Page 19.)

The Joint Committee commended Mr. Nixon "for his prompt decision" to pay the taxes. He will pay the somewhat smaller amount of \$432,787 that Internal Revenue found he owed for the four years.

The White House announced last night that Mr. Nixon would pay the figure assessed by In-

ternal Revenue, plus interest. But he has apparently decided not to pay the interest on his 1969 delinquency, which is by far the largest amount for any year. He can legally avoid the payment of interest for that year, which would amount to \$40,000, because the three-year statute of limitations has run out on his 1969 return.

In fact, he could also legally avoid payment of the entire

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delinquency for 1969 for the same reason, but he has indicated that he will not do this.

No details of the amounts assessed Mr. Nixon by Internal Revenue were made public, and the White House said that they would not be.

The Joint Committee's staff said, however, that Mr. Nixon had underpaid his 1969 tax by \$171,055.

The closeness of the total figures arrived at by Internal Revenue and the Joint Committee staff indicated that they had found essentially the same delinquencies.

If Mr. Nixon does pay the 1969 tax, although he could not legally be forced to do so, he would give himself a big tax deduction on his 1974 tax return, according to Tax Analysts and Advocates, a public interest law firm. Such a voluntary contribution to the Government is deductible, just as it is for any other charitable contribution, the group said.

In announcing that it had closed its tax investigation against Mr. Nixon for the years 1969-72, Internal Revenue explicitly stated that it had assessed no fraud penalty for any of the years, because it "did not believe any such assertion was warranted."

The Joint Committee avoided judging the question of fraud on the ground that it might come before the House Judiciary Committee, which is considering whether to recommend Mr. Nixon's impeachment.

Peter W. Rodino Jr., the chairman of the Judiciary Committee, has indicated in turn that he does not believe his committee can get into the question of whether Mr. Nixon committed tax fraud.

The office of the special prosecutor, Leon Jaworski, has taken little or no interest in Mr. Nixon's taxes on the ground that they were the responsibility of other organizations.

Thus, it appeared likely that the issue of fraud would not be formally raised in any quarter.

The closing of the case by Internal Revenue left dangling a number of questions.

One was how Internal Revenue could explain that two agents who audited Mr. Nixon's returns for 1971 and 1972 just 11 months ago could conclude

that they should be accepted as filed, when the audit concluded this week found deficiencies that probably amounted to around \$90,000 for each of those years.

'Speaks for Itself'

Donald C. Alexander, the Commissioner of Internal Revenue, would not respond to a question on this point other than to say, "The re-examination speaks for itself, and we have no further comment."

Internal Revenue also refused to respond to any questions concerning the substance of its re-audit.

For example, the staff of the Joint Committee said that there were a number of financial matters on which it had been unable to get necessary information from the White House. Mr. Alexander would neither state whether his agency had been able to get the information nor offer any explanation of how it could justify closing its investigation if it had not got the information.

Sheldon S. Cohen, who was Commissioner of Internal Revenue in the Johnson Administration, suggested that there were a couple of matters on which the Joint Committee staff—and presumably Internal Revenue as well—may have been lenient in their treatment of the President.

In a speech before the National Women's Democratic Club, he questioned the deduction that Mr. Nixon takes for the annual losses on the home his mother owned in Whittier, Calif.

Mr. Nixon rents out the house for about \$600 a year and lists expenses of around \$6,000 a year. Mr. Cohen said that given this consistent loss, he did not believe there had been "a showing that the property is held for a production of income," and that the loss should, therefore, be disallowed.

Mr. Cohen also raised a question about a small deduction that showed up in only one year of the four for which the tax returns have been made public. This was a deduction of \$25 for professional dues in 1971. Mr. Cohen wanted to know what the deduction was for. The Joint Committee's report did not mention it.