

Nixon Paid No Employe Tax for Maid in '69

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WASHINGTON, April 5 — President Nixon neglected to pay Social Security taxes for a maid he employed at his San Clemente home in 1969, though he took one quarter of the wages he paid her as a "business deduction" on his own tax return, according to the Congressional study of Mr. Nixon's taxes.

It is reported in a brief passage and footnote in the 994-page study of Mr. Nixon's tax returns that was prepared by the staff of the Joint Committee on Internal Revenue Taxation and made public on Wednesday.

The study also reports that Mr. Nixon failed to pay Social Security taxes for the gardener at San Clemente, Calif. for six months of 1970, though he also deducted one quarter of the gardener's salary on his own return.

The staff of the committee concluded that Social Security taxes should have been paid for both individuals.

Diane Sawyer, an assistant in the White House press office, would make no comment on the Social Security taxes, beyond stating, "The President did not handle any aspect of his tax returns. They were done entirely by the tax experts that he hired."

The amounts of Social Security tax were not included in the \$444,022 that the Congressional investigators said Mr. Nixon owed in unpaid taxes during his first four years in the White House.

The reason, the staff said, was that it had been assigned solely to deal with Mr. Nixon's income taxes, not other types of taxes.

The maid, who worked at San Clemente for "approximately three months," according to the Congressional re-

port, was paid a total of \$550 during that period.

"Twenty-five per cent of that amount, or \$137.50, was deducted on the President's tax return," the report noted.

Mr. Nixon deducted 25 per cent of most of the expenses of running his San Clemente residence, on the ground that the house was used for business purposes that proportion of the time. The Congressional investigators said that such deductions should be disallowed and the Internal Revenue Service, which came up with almost as high a total deficiency assessment as the committee's staff, apparently concluded the same thing.

The Internal Revenue Service found that Mr. Nixon had underpaid his taxes by

\$432,787 during the 1969-72 period, and Mr. Nixon has said he would pay that amount, plus interest.

The joint committee staff found no explanation for the failure of the Nixons to pay

the \$26.40 in Social Security taxes that it said should have been paid for the maid.

That figure represents the portion of the Social Security tax that the employer is required to pay for any domestic whose earnings are \$50 or more in any three-month period. Many persons who employ domestic workers also pay the employee's part of the Social Security tax — which employers are legally permitted to do in the case of domestic workers. If the Nixons had done this, they would have paid \$52.80 in Social Security taxes for the maid.

Congressional Challenge

The case of the gardener is somewhat different. He had originally been on the Government payroll but was taken off in March, 1970, after members of Congress challenged some of the expenses of maintaining the San Clemente residence.

From April, 1970 through September, 1970, according to the joint committee staff report,

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the gardener "was treated as an independent contractor." After that, he was listed as an employee of the President and Mrs. Nixon.

Social Security taxes were not paid for the six-month period that the gardener was called an independent contractor.

The staff found that there was no justification for treating

the gardener as an independent contractor and said that the President should have paid the Social Security taxes for him during that period.

The report indicates that the gardener was paid \$1,542 per quarter in 1970, and the Social Security tax that should have been paid was \$74.02 per quarter, if the President paid only the employer's portion.