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President Reportedly Pays Taxes

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President Nixon has paid his tax deficiency of \$432,000 plus interest and probably did not have to borrow money to do it, a source familiar with Mr. Nixon's financial affairs indicated yesterday.

"There is no reason to believe he did not meet his deadline" for paying the deficiency, the source said.

The actual deadline could have been as late as May 3, 30 days after the Internal Revenue Service billed Mr. Nixon for back taxes for 1969 through 1972.

Neither the IRS nor White House deputy press secretary Gerald L. Warren would discuss details of President Nixon's compliance with the April 3 deficiency notice. Warren said only that the President had made clear his intention of paying the assessment without further argument.

Although White House

aides said last month that Mr. Nixon probably would have to borrow to pay his taxes, the source on his finances said the payment would wipe out his cash surplus but not force him into borrowing. That did not mean that other financial commitments, such as a \$228,000 mortgage payment on the Nixon property at San Clemente, Calif., due in July, might not require borrowing, the source said.

In December the White House released a statement showing that as of last May 31, Mr. Nixon's net worth included more than \$400,000 in cash.

Payment of interest for back taxes — in this case more than \$30,000 for 1970, 1971 and 1972—is itself tax deductible for the year in which it is paid. It is not known whether the IRS assessed interest for 1969, a year for which the congressional Joint Committee on Internal Revenue Taxation reported Mr. Nixon owing \$171,055.

The committee said expiration of the statute of limitations for that year meant that no interest was due.

If Mr. Nixon had not paid the tax assessment promptly, interest would continue to accrue at an estimated rate of \$1,365 a month on the 1970-1972 tax bill.