

Carter Releases Tax Data

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Democratic presidential candidate Jimmy Carter paid \$17,484 in federal income taxes last year on a gross income of \$136,138, according to copies of Carter's tax returns that were released yesterday in Plains, Ga.

Carter employed two widely-used tax reduction techniques to reduce his total 1975 federal tax obligation to 12.8 per cent of his gross income, the tax returns showed.

During the same year, according to tax information released earlier by the White House, President Ford paid \$94,568 in federal income taxes on a gross income of \$251,991. His federal taxes amounted to 37.5 per cent of his gross income that year, according to the White House statement.

Carter yesterday also released a statement of assets and liabilities calculated by two methods. The first method, in which assets were valued according to their original cost, showed Carter has a net worth of \$512,154.

The second method, in which assets were valued according to their estimated current market value, listed Carter's net worth as \$771,699.

By either method, Carter's net worth exceeds that of the President. According to the White House, Mr. Ford's net worth at the end of 1975 was \$323,489.

In addition, the balance sheet showed that Carter's peanut farming and warehouse business in southwest Georgia has assets of \$3.6

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million, including about \$1.5 million in the estimated market value of the current peanut crop.

Aides to Carter, who has been a frequent critic of tax loopholes and an advocate of tax revision, were clearly concerned that the former Georgia governor's tax payments last year would be compared unfavorably with Mr. Ford's payments. For example, Mr. Ford, whose income was not quite double Carter's, paid taxes at a rate more than triple the rate Carter paid.

There were also signs that the financial information was compiled hastily. The statement of assets and liabilities, for example, listed Carter's 1975 Chevrolet automobile, but provided no value for it. The statement also contained no total figures of assets and liabilities.

Unlike the President, who released summaries of his tax payments for the last 10 years that were prepared by White House aides, Carter yesterday made available copies of his actual federal income tax returns for 1975 only.

The documents showed that Carter reduced his obligation by \$41,702 through a credit for investments he made in his farming and warehouse business. The 10 per cent credit, an incentive for business investment, is a widely used and legitimate tax reduction technique.

Carter also employed another device used by millions of Americans—income averaging—to reduce his taxes further. The method provides a tax break to persons whose income changes dramatically in one year compared with the immediate prior years.

Carter's tax returns showed that by far the bulk of his income is from his partnership with his brother, Billy Carter, in the farming and warehouse business. This income totaled \$122,537 last year.

In addition, Carter listed as income \$5,601 in wages, \$1,035 in stock dividend, \$394 in interest from savings accounts and \$1,019 in a state income tax refund last year.

The tax forms \$11,699 in itemized deductions. These included \$150 deduction for medical expenses, \$4,495 in state and local taxes, \$677 in interest expense, \$6,161 in charitable contributions and a \$200 political contribution.

Carter's total taxable income last

year, according to the forms, was \$122,189. His tax obligation was \$58,404, which he reduced to \$17,484 through use of income averaging and the investment tax credit.

During the previous four years, Carter's taxable income was \$72,953 in 1974, \$119,638 in 1973, \$50,195 in 1972 and \$58,740 in 1971.

Like most self-employed businessmen, Carter paid his taxes quarterly during 1975. In all, according to the forms, he paid \$24,573 and was due a refund of \$7,089. Carter, on the form, asked that this money be applied as a credit against his 1976 taxes.

The tax form was a joint return for Carter and his wife, Rosalynn. They listed only one dependent child, their daughter, Amy.

Mr. Ford's listing of itemized deductions for last year were similar to Carter's. He took the same \$150 medical deduction, had slightly more in contributions (\$6,759 compared with Carter's \$6,161) and paid more than twice the amount Carter paid in state and local taxes—\$11,941 compared with \$4,495.

A spokesman for Carter said yesterday that the Democratic nominee, if elected in November, will divest himself of his stock holdings.

Carter's stock holdings—in three companies including Atlanta-based Coca Cola—are only a minor part of his wealth and accounted for only \$1,035 in dividends last year.

The spokesman said Carter has not yet decided what to do with his extensive farm and warehouse holdings but that as President he would report to the American people on how he would avoid any conflict of interest.

According to the net worth statement, most of Carter's wealth is in two business ventures. He owns 91 per cent of the outstanding capital stock in Carters Farms, Inc., which was acquired at a cost of \$47,421 and has an estimated market value of \$348,444.

In another part of the statement, the assets of Carters Farms, Inc., were said to have cost \$145,676 and now to have a market value of \$525,607.

Carter also listed an unspecified interest in the Carter Warehouse Partnership, which he said cost \$145,676 and which now has a market value of \$525,607.

Carter's other assets included \$1,550 in cash, \$40,209 in the cash value of his life insurance, \$660 in U.S. savings bonds and \$73 in cash in savings accounts.