



BEFORE THE STATE BOARD OF EQUALIZATION  
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of )  
KERN COUNTY LAND COMPANY )

Appearances:

For Appellant: **McCutchen**, Olney, Mannon and Greene,  
San Francisco  
For Respondent: Reynold E. Blight, Franchise Tax Commissioner

O P I N I O N

This is an appeal under Section 25 of the Bank and Corporation Franchise Tax Act (Chap. 13, Stats. 1929) from the action of the Franchise Tax Commissioner in overruling the protest of Kern County Land Company against a proposed assessment of an additional tax of \$1,059.70.

The sole point involved in this appeal is the question of the constitutionality of the requirement of the Bank and Corporation Franchise Tax Act (Chap. 13, Stats. 1929) that income from all sources (including that derived from tax exempt federal, state and municipal bonds and securities) be used in the calculation of the tax. Counsel for Appellant have argued earnestly and persuasively that this provision is unconstitutional and have cited convincing authorities to this effect. However, for the reasons set forth in our opinion in the case of Vortex Manufacturing Company (filed August 4, 1930), we do not feel warranted in holding the law unconstitutional. On authority of our decision in that appeal, we believe that we must sustain the action of the Commissioner.

O R D E R

Pursuant to the views expressed in the opinion of the Board on file in this proceeding, and good cause appearing **therefor**,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, that the action of Reynold E. Blight, Franchise Tax Commissioner, in overruling the protest of Kern County Land Company, a **corporation**, against a proposed assessment of an additional tax of \$1,059.70, under Chapter 13, Statutes of 1929, be and the same is hereby **sustained**

Done at Sacramento, California, this 4th day of August, 1930, by the State Board of Equalization.

R. E. Collins, Chairman  
H. G. **Cattell**, Member  
Fred E. Stewart, Member  
Jno. C. Corbett, Member

ATTEST: Dixwell L. Pierce, **Secretary**