



BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of)
MATSON NAVIGATION CO.)

Appearances:

For Appellant: R. P. Hasenauer, Treasurer of said
corporation
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 Matson Navigation Co., against a proposed assessment of an additional tax of \$6,903.07, based upon the net income of said corporation for the year ended December 31, 1929.

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. 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 Matson Navigation Co., a corporation, against a proposed assessment of an additional tax of \$6,903.07, under Chapter 13, Statutes of 1929, be and the same is hereby sustained.

Done at Sacramento, California, this 19th day of January 1931, by the State Board of Equalization

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

ATTEST: Dixwell L. Pierce, Secretary