

BEFORE THE STATE BOARD OF EQUALIZATION



OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of }
JAMESON PETROLEUM COMPANY }

Appearances:

For Appellant: Black, **Hammack & Black**, Attorneys

For Respondent: Albert A. **Manship**, Franchise Tax Commissioner

O P I N I O N

This is an appeal pursuant to Section 25 of the Bank and Corporation Franchise Tax Act (Statutes of 1929, **Chapter 13**, as amended) from the action of the Franchise Tax Commissioner in overruling the protest of **Jameson** Petroleum Company, a corporation, against a proposed assessment of additional tax in the amount of **\$3,321.95**, with interest.

In its return for the taxable year ended December 31, 1929, the Appellant classified certain local taxes on mineral rights as personal property taxes, and hence allowed as an offset from its franchise tax the full amount of said taxes. The Commissioner reclassified the taxes on mineral rights as real estate taxes and hence reduced the offset allowance to **10%** of said taxes. This action of the Commissioner resulted in the proposed assessment of additional tax in question.

The sole issue involved in this appeal is whether local taxes on **mineral rights** should be classified for offset purposes under Section 4 of the Act as personal property taxes or as real estate taxes. This issue was before the Board in the Appeal of the Catalina View Oil Co. decided by us on April 20, **1932**.

We held in that appeal that taxes on mineral rights are to be considered for offset purposes under the Act, as real estate taxes, and hence that only **10%** of such taxes could be offset from the tax imposed by the Act. It is our opinion that this holding controls our decision in the instant appeal.

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

Appeal of Jameson Petroleum Company

of Albert A. Manship, Franchise Tax Commissioner, in overruling the protest of Jameson Petroleum Company, a corporation, against a proposed assessment of an additional tax of \$3,321.95, based upon the net income of said corporation for the year ended December 31, 1929, as returned under Chapter. 13, Statutes of 1929, be and the same is hereby &stained.

Done at Sacramento, California, this 10th day of May, 1932, by the State Board of Equalization.

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

ATTEST: Dixwell L. Pierce, Secretary