



BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of)
OLIVER CONTINUOUS FILTER COMPANY)

Appearances:

For Appellant: George G. Gary, its Comptroller; A. S. Hoppe, representing Jones & Dall, Attorneys for Appellant
For Respondent: Chas. J. McColgan, 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 (Stats. 1929, Chapter 13, as amended) from the action of the Franchise Tax Commissioner in overruling the protest of Oliver Continuous Filter Company, a corporation, against a proposed assessment of additional tax in the amount of \$6,498.08 for the year 1931, based upon its return for the year ended December 31, 1930.

The issues presented for our determination in this appeal are whether a corporation, the activities of which are confined to holding stock in another corporation, is taxable under the Act, and, if taxable, whether the Commissioner acted properly in using as a measure of a tax for the year 1931, dividends declared out of earnings from business done outside the state.

In the appeal of the Union Oil Associates, decided by us on the 10th day of October, 1932, we had occasion to consider in detail substantially the same problems as are raised by the instant appeal. In that appeal we held that a corporation organized for the purpose of holding stock in another corporation and engaged in no other activity than holding stock, was taxable under the Act, and that its tax for the year 1931 was properly measured by dividends declared out of earnings from business done outside the state which were received by it during the year 1930. We are of the opinion that our decision in that appeal 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 of the Franchise Tax Commissioner in overruling the protest of Oliver Continuous Filter Company, a corporation, against a proposed assessment of an additional tax of \$6,498.08, with interest.

Appeal of Oliver Continuous Filter Company

under Chapter 13, Statutes of 1929, be and the same is hereby sustained.

Done at Sacramento, California, this 12th day of December 1932, by the State Board of Equalization.

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

ATTEST: Dixwell L. Pierce, Secretary