



BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of)
MERRYMAN ESTATE COMPANY)

Appearances:

For Appellant: R. C. Merryman, Secretary of Appellant Corporation
For Respondent: Chas. J. McColgen, 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 Merryman Estate Company, a corporation, against a proposed assessment of an additional tax in the amount of \$1,758.28 for the year 1932 based upon Appellant's return for the year ended December 31, 1931.

It is contended that inasmuch as Appellant is a family holding company, it is not a corporation doing business in this State and hence is not taxable under the Act. This same point was raised by Appellant in an appeal for a prior year and was ruled upon by us adversely to Appellant (see Appeal of Merryman Estate Company, decided by this Board on October 10, 1932), and, consequently, will not be given further consideration here.

Appellant alleges that subsequent to July 1, 1932, it has not engaged in any activities whatsoever either in this State or elsewhere. It should be noted, however, that Appellant apparently enjoyed the right to do business throughout the entire year 1932, and hence must be regarded as "doing business" under the definition of that term as amended in 1931 (Stats. 1931, p. 64, 2225) during the whole of said year.

It is further alleged that on September 27, 1932, proceedings for the dissolution and winding up of Appellant were instituted. It appears, however, that dissolution was not completed during the year 1932. Although the Act provides for an abatement of tax in case of dissolution during any year of a corporation taxable thereunder (Section 13), no abatement is provided for in cases where dissolution proceedings are instituted only but are not completed.

O R D E R

Pursuant to the views expressed in the opinion of the Board

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on file in this proceeding, and good cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, that the action of Hon. Chas, J. **McColgan**, Franchise Tax Commissioner, in overruling the protest of **Merryman Estate Company**, a corporation, against a proposed assessment of an additional tax of **\$1,758.28** under Chapter 13, Statutes of 1929, based upon the net income of said corporation for the year ended December 31, 1931, be and the same is hereby sustained.

Done at Sacramento, California, this 17th day of February, 1933, by the State Board of Equalization.

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

ATTEST: Dixwell L. Pierce, Secretary