



BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of)
SOUTHERN INDUSTRIAL LOAN COMPANY)

Appearances:

For Appellant: Huntington P. Bledsoe, Attorney at Law.

For Respondent: James J. Arditto, Acting Assistant Franchise Tax Commissioner; Crawford H. Thomas and Irving Perluss, Assistant Tax Counsel.

O P I N I O N

These appeals are made pursuant to Sections 25 and 27 of the Bank and Corporation Franchise Tax Act (Chapter 13, Statutes of 1929, as amended) from the action of the Franchise Tax Commissioner in overruling the protest of the Southern Industrial Loan Company to a proposed assessment of an additional tax in the amount of \$1,104.82 and in denying the claims for refund of said company in the amount of \$3,477.50, respectively, for the taxable year ended December 31, 1941.

The question presented by this appeal is identical with that involved in the Appeal of Central Industrial Loan Company, this day decided by us. On the basis of the authorities set forth in our opinion in that matter, the action of the Commissioner in this appeal must be reversed.

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 actions of Chas. J. McColgan, Franchise Tax Commissioner, in overruling the protest of the Southern Industrial Loan Company to a proposed assessment of additional tax in the amount of \$1,104.82 and in denying the claims for refund of said company in the amount of \$3,477.50 for the taxable year ended December 31, 1941, pursuant to Chapter 13, Statutes of 1929, as amended, be and the same are hereby reversed. Said rulings are hereby set aside and the said Commissioner is hereby directed to refund to said Southern Industrial Loan Company the amount of tax overpaid by it for the taxable year ended December 31, 1941, the amount of the overpayment

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to be determined by the exclusion from the gross income of said company of the amount of the service charges paid to it on the renewal of its loans and the acceptance of the adjustments to the income, to any extent to which such adjustments may be material in the computation of net income, made in the Commissioner's proposed assessment of additional tax.

Done at Sacramento, California, this 2nd day of December, 1942, by the State Board of Equalization.

R. E. Collins, Chairman
George R. Reilly, Member
Wm. G. Bonelli, Member

ATTEST: Dixwell L. Pierce, Secretary