

BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA



In the Matter of the Appeal of)
RICHFIELD OIL COMPANY (Dissolved))

Appearances:

For Appellant : Robert E. Paradise, Attorney at Law

For Respondent : W. M. Walsh, Assistant Franchise Tax
Commissioner; James J. Arditto,
Franchise Tax Counsel; Crawford H.
Thomas, Assistant Tax Counsel

O P I N I O N

This appeal is made pursuant, to Section 25 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 Richfield Oil Company (Dissolved) to a proposed assessment of additional tax in the amount of \$1,458.74 for the taxable year ended December 31, 1938.

The questions involved herein are (1) whether the liquidation of a wholly-owned subsidiary corporation was a "reorganization, consolidation or merger" within the meaning of Section 13(k) of the Act as it existed prior to its amendment in 1939, and (3) whether, prior to the 1939 amendment to Section 29 of the Act, the Commissioner's issuance of a certificate of discharge of taxes, for filing with the Secretary of State in connection with the final dissolution of a corporation, operated to relieve the corporation from further liability for taxes due under the Act.

The Appellant has conceded the correctness of the Commissioner's position on the first question in view of the decision of the California Supreme Court in San Joaquin Ginning Co. v. McColgan 20 Cal. 2d 254.

The second question is identical with one involved in the Appeal, this day decided, of The United Oil Company (Dissolved). Upon the basis of our decision in that Appeal, it must be concluded that the Commissioner did not act improperly in proposing the additional assessment in question.

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 Chas. J. McColgan, Franchise Tax Commissioner, in overruling the protest of Richfield Oil Company (Dissolved) to a proposed assess-

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ment of additional tax in the amount of \$14,587.41, for the taxable year ended December 31, 1938, pursuant to Chapter 13, Statutes of 1929, as amended, be and the same is hereby sustained.

Done at Sacramento, California, this 11th day of December, 1947, by the State Board of Equalization,

Wm. G. Bonelli, Chairman
Geo. R. Reilly, Member
J. H. Quinn, Member
Jerrold L. Seawell, Member

ATTEST: Dixwell L. Pierce, Secretary