



Appeal of Otto Klement

of the expenditures might be ascertained, we have no alternative other than to uphold the Commissioner in disallowing the deduction.

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 theref'or,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, pursuant to Section 18545 of the Revenue and Taxation Code, that the action of Chas. J. McColgan, Franchise Tax Commissioner, in overruling the protest of Otto Klement to a proposed assessment of additional personal income tax in the amount of \$1,146.60 and penalty of \$286.65 for the year ended December 31, 1939, be and the same is hereby modified\* said Commissioner is hereby directed to exclude from the gross income of said Otto Klement as heretofore determined for said year the sum of \$22,732.50 and to recompute the tax and penalty upon the basis of such exclusion, in all other respects the said, action of the Commissioner is hereby sustained.

Done at Sacramento, California, this 29th day of January, 1948, by the State Board of Equalization.

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

ATTEST: Dixwell L. Pierce, Secretary