

BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeals)
of)
CHARLES A. McPHEE and ALMA B. McPHEE)

Appearances:

For Appellants: David Uzel, Certified Public Accountant

For Respondent: Burl D. Lack, Chief Counsel;
John S. Warren, Associate Tax Counsel

O P I N I O N

'These appeals are made pursuant to Section 18593 of the Revenue and Taxation Code from the action of the Franchise Tax Board on the protests of Charles A, McPhee and Alma B. McPhee to proposed assessments of additional personal income tax in the amount of \$100.67 against each of the Appellants for the year 1948.

Appellants, husband and wife, are residents of California, During the year 1948 they received income from a partnership which did business in both California and Missouri. They reported to the Director of Revenue of the State of Missouri, on a joint return, that portion of the partnership income determined to be from sources in that state. They also reported, on separate returns, their entire partnership income, as well as all other income, to the Franchise Tax Board.

On their California returns each Appellant took a credit in the amount of \$274.86 for income taxes paid to Missouri, The Franchise Tax Board, determined the allowable credit to be \$174.19 on each return and issued the proposed assessments here in question.

As in the Appeals of E. B. Bishop and Helen Bishop, decided this day, the issue for our determination is the proper method of computing the credit allowable under Section 17976 (now Section 18001) of the Revenue and Taxation Code for income taxes paid to another state. For the reasons set forth in our Opinion determining those appeals, we have concluded that the method used by the taxpayer is

