

BEFORE THE STATE BOARD OF EQUALIZATION

OF THE STATE OF CALIFORNIA

In the Matter of the Appeals of'

KURT AND BARBARA GRONOWSKI AND

HANS GRONOWSKI

Appearances:

For Appellants: Sidney Rudy

Attorney at Law

For Respondent: Tom T. Muraki

Associate Tax Counsel

OPINION

These appeals are made pursuant to section 18594 of the Revenue and Taxation Code from the action of the Franchise Tax Board on the protests of Kurt and Barbara Gronowski and Hans Gronowski against proposed assessments of additional personal income tax as follows:

Appellant	<u>Y</u> ear	Amount
Kurt and Barbara Gronowski Hans Gronowski	- 1960 1961 1960 1961	\$152.49 119.66 213.49 209.41

These are companion appeals to the Appeal of Jay Briggs, this day decided. Appellant Kurt and Hans Gronowski were stockholders of Jay Briggs, a corporation. Kurt Gronowski filed joint returns with Barbara Gronowski, his wife. Respondent disallowed certain deductions claimed by Jay Briggs on the ground that they represented payments for stock purchased by Kurt and

Appeals of Kurt and Barbara Gronowski and Hans Gronowslti

Hans Gronowski and other expenditures for their personal benefit. In Appeal of Jay Briggs, we sustained this action by respondent.

Since the disaffowed amounts constituted distributions of corporate' income for the personal benefit of appellants, those amounts must be treated as income upon which appellants are subject to tax. (Rev. & Tax. Code, § 17071; Max P. Lash, T.C. Memo., Dkt.No.48408. April; 1956, aff'd on this point, 245 F.2d 20; American Properties, Inc., 28 T.C. 1100, aff'd, 262 F.2d 150.)

ORDER

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 ANTI DECREED, pursuant to section 18595 of the Revenue and Taxation Code, that the action of the Franchise Tax Board on the protests of Kurt and.' Barbara Gronowski and Hans Gronowski against proposed assessments of additional personal income tax as follows be and the same is hereby sustained:

Appellant.	<u>Year</u>	<u>Amoun</u> t
Kurt and Barbara Gronowski If II II Hans. Gronowski II	1960 1961' 1960 1961	\$152.49 119.66 213.49 209.41

Done at Sacramento, California, this 4th day of January, 1966, by the State Board of Equalization.

Chairman

Member

Member

Member

Member

ATTEST:___

Secretary

-336-