

BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of)
SIDNEY AND MARIE SCHONFELD)

Appearances:

For Appellants: William Grohne and
Harrison H. Simpson, of
Webb & Webb
Certified public Accountants

For Respondent: A. Ben Jacobson
Associate Tax Counsel

O P I N I O N

This appeal is made pursuant to section 18594 of the Revenue and Taxation Code from the action of the Franchise Tax Board on the protest of Sidney and Marie Schonfeld against proposed assessments of additional personal income tax in the amounts of \$387.33, \$186.74, \$308.88, and \$233.39 for the years 1959, 1960, 1961, and 1962, respectively.

This appeal and the Appeal of Charles and Helga Schonfeld are companion cases to the Appeal of Continental Lodge, this day decided. All issues raised by this appeal were similarly raised and decided in the Appeal of Charles and Helga Schonfeld. Those questions were whether certain automobile travel, and promotion expenses disallowed as deductible business expenses of Continental Lodge were includible in the personal income of the officer-stockholders, Charles and Sidney Schonfeld, as respondent contended, and whether respondent reasonably computed the annual depreciation deduction on an apartment building owned by Charles and Sidney Schonfeld as partners on the basis of an estimated useful life of 40 years,

Appeal of Sidney and Marie Schonfeld

Since we sustained **respondent's** determinations on these identical issues in the Appeal of Charles and Helga Schonfeld, this day decided, we must also **sustain** respondent in the instant appeal.

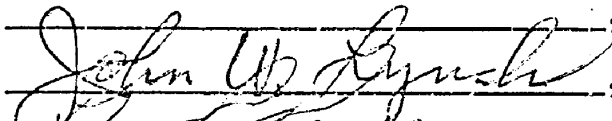
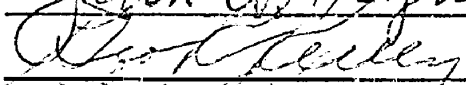
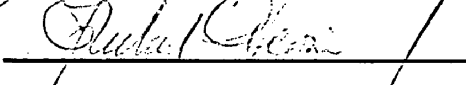

Another issue originally raised by this appeal was settled prior to the oral hearing. Appellants conceded that the amounts which they received from their corporation, Continental Lodge, to reimburse them for their uninsured medical expenses in each of the years on appeal were **includible** in their personal income. Respondent stipulated, however, that appellants were entitled to deductions for medical expenses paid in those years in accordance with the provisions of relevant statutes in effect at that time.

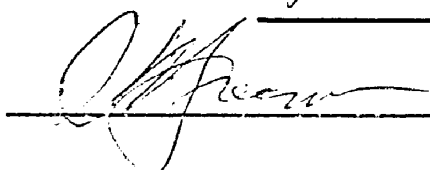
O R D E R

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, pursuant to section 18595 of the Revenue and Taxation Code, that the protest of Sidney and Marie Schonfeld **against** proposed assessments of additional personal income tax in the amounts of \$387.33, \$186.74, ~~\$302.22~~, and \$233.39 for the years 1959, 1960, 1961, and 1962, **respectively**, be and the same is hereby modified in that appellants are to be allowed medical expense deductions for each of the years on appeal in accordance with the statutes in effect in those years. In all other respects the action of the Franchise Tax Board is sustained.

Done at Sacramento California, this 10th day of May, 1967, by the State Board of Equalization,

	, Chairman
	, Member
	, Member
	, Member

ATTEST: , Secretary