



'BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of)
GUS A, AND ROSE A. **BLESSEN**)

Appearances:

For Appellants: Rose A. **Blessen, in pro. per.**

For Respondent: Jack E. Gordon
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 Gus A, and Rose A. **Blessen** against a proposed assessment of additional personal income tax in the amount of \$35.54 for the year 1964.

The question presented is whether appellants are entitled to a bad debt deduction of \$1,500 for the year 1964.

Appellants, husband and wife, made personal loans totaling \$1,500 to William Barclay, an acquaintance. After the loans became due they were turned over to a collection agency which obtained a judgment against the debtor. Thereafter Mr. Barclay died in 1964 without leaving any estate. No part of the loans had ever been paid.

On their 1964 state and federal returns appellants claimed a \$1,500 bad debt deduction. Respondent disallowed the deduction claimed under section 17207 of the Revenue and Taxation Code on the grounds that appellants failed to establish the debt became worthless in 1964.

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At the hearing before this board appellants presented information in support of the claimed deduction. On the basis of the information presented, we find that the debt became worthless in 1964.

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 action of the Franchise Tax Board on the protest of Gus A. and Rose A. Blessen against a proposed assessment of additional personal income tax in the amount of \$35.54 for the year 1964 be and the same is hereby reversed.

Done at Sacramento, California, this 7th day of April, 1969, by the State Board of Equalization.

John W. Lynch, Chairman

[Signature], Member

[Signature], Member

[Signature], Member

[Signature], Member

ATTEST: [Signature], Secretary