

DEFORE THE STATE BOARD OF EQUALIZATION OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of)
ROLANDO V. JIMENEZ

Opinion on Petition for Rehearing

On April 8, 1980, we sustained the Franchise Tax' Board's assessment of additional tax and penalties against Rolando V. Jimenez in the total amount of \$489.80 for the year 1977. Our decision at that time was predicated on Mr. Jimenez's failure to demonstrate that any part of respondent Franchise Tax Board's action was incorrect. Subsequently, however, Mr. Jimenez filed a timely petition for rehearing which contained evidence sufficient to establish some error in respondent's determination. Accordingly, as explained below, our original opinion and order in this case will be modified.

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First, appellant has established that he is entitled to dependent credits for his three minor children (aged 15, 14, and 9 during the year in question), who resided with appellant and his wife (their parents) during 1977. This is not a case where someone else has made an inconsistent claim to dependent credits for these children.

Second, appellant has shown that he is entitled to a withholding credit in the amount of \$190.60. The evidence appellant has presented indicates that respondent has taxed him on the community property earnings of his wife Leticia from the Community Hospital of San Diego. (Rev. & Tax. Code, § 18555, subd. (a).) That being so, respondent cannot deny him credit for the tax withheld from those earnings by the hospital. (See Rev. & Tax. Code, § 18551.1, subd. (a).)

Finally, appellant continues to argue that his liability-should be computed as if he and his wife had filed a joint return. They did not so file, however, and respondent was therefore entitled to treat appellant as a married person filing a separate return. Appellant did file a Form 540 which he and his wife both signed, but it was not a "return" because it did not contain the required financial information. (Appeal of Arthur W. Reech, Cal. St. Bd. of Equal., July 26, 1977,)

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<u>O R D E R</u>

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 18596 of the Revenue and Taxation Code, that our order of April 8, 1980, in the matter of the Appeal of Rolando V. 'Jimenez be modified to allow three dependent credits and a withholding credit of \$190.00. In all other respects, our order of April 8, 1980, is affirmed.

Done at Sacramento, California, this 9th day of December, 1980, by the State Board of Equalization, with Members Nevins, Bennett, RReilly and Dronenburg present.

Richard Nevins	, Chairman
George R. Reilly	_, Member
Ernest J. Dronenburs, Jr.	_, Member
William M. Bennett	_, Member
	, Member