

BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of)
CLARE E. ROWLES)

OPINION ON PETITION FOR REHEARING

On October 28, 1980, we sustained the Franchise Tax Board's assessments of additional personal income tax against Clare E. Rowles in the amounts of \$365.18 and \$322.65 for the years 1974 and 1975, respectively. Our decision at that time was predicated on the appellant's failure to show that the Franchise Tax Board's determination was incorrect. Subsequently, however, Mrs. Rowles 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.

Appellant has established that she is entitled to a deduction for more than 50 percent of the trust management expenses as attributable to her own trust. She continues to argue that all expenses were incurred solely for her own trust. However, although no additional expense may have been incurred in the management of the other trusts, the facts presented convince us the expenses claimed were incurred in the course of managing

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ORDER

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<u>Ernest J. Dronenburg, Jr.</u>	, Chairman
<u>William M. Bennett</u>	, Member
<u>Richard Nevins</u>	, Member
<u>George R. Reilly</u>	, Member
<u></u>	, Member