



Appeal of Harold Neuman

The sole issue presented by this appeal is whether appellant has established error in respondent's 'proposed assessment of additional personal income tax or in the penalties assessed for the year in issue..

Appellant did not file a California income tax return for 1979. When respondent demanded that he do so, appellant answered by stating that he did not believe he had sufficient income to require him to file. On the basis of information received from the California Employment Development Department, respondent subsequently issued the subject notice of proposed assessment. The proposed assessment includes penalties for failure to file a return, failure to file upon notice and demand, and negligence.

It is well settled that respondent's determinations of tax are presumptively correct, and appellant bears the burden of proving them erroneous. (Appeal of K. L. Durham, Cal. St. Bd. of Equal., March 4, 1980; Appeal of Harold G. Jindrich, Cal. St. Bd. of Equal., April 6, 1977.) This rule also applies to the penalties assessed in this case. (Appeal of K. L. Durham, supra; Appeal of Myron E. and Alice Z. Gire, Cal. St. Bd. of Equal., Sept. 10, 1969.) No such proof has been presented here.

In support of his position, appellant has advanced a host of familiar contentions, including, inter alia, that he is not a "taxpayer," that Federal Reserve notes do not constitute lawful money or legal tender, and that wages do not constitute income. Each of the "arguments" raised by appellant was rejected as being without merit in the Appeals of Fred R. Dauberger, et al., decided by this board on March 1, 1982. We see no reason to depart from that decision in this appeal.

On the basis of the evidence before us, we can only conclude that respondent correctly computed appellant's tax liability, and that the imposition of penalties was fully justified. Respondent's action in this matter will, therefore, be sustained.

