



BEFORE THE STATE BOARD OF EQUALIZATION  
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of )  
WARREN L. DREW )

Appearances:

For Appellant: Brad Henschel  
For Respondent: Michael E. Brownell  
John A. Stilwell, Jr.  
Counsel

O P I N I O N

This appeal is made pursuant to section 18593 of the Revenue and Taxation Code from the action of the Franchise Tax Board on the protest of Warren L. Drew against a proposed assessment of additional personal income tax and penalties in the total amount of \$2,091 for the year 1979.

Appeal of Warren L. Drew

The question presented is whether appellant has shown any error in respondent's proposed assessment.

Appellant filed a 1979 Form 540 which **was** devoid of **information**. Respondent advised appellant that he had not filed a valid return, and demanded that he **file** one containing the required financial information. When he failed to reply, respondent estimated his income by using the gross income of \$18,864 reported by appellant on his 1978 return and adding an amount to reflect a 15 percent growth and inflation factor. A notice of proposed assessment of personal income tax was issued which included penalties for failure to file a **return**, failure to file after notice and **demand**, negligence and failure to pay estimated tax.

We note that, in general, a taxing agency has great latitude in making determinations of liability, particularly where, as here, the taxpayer does not file a valid tax return and refuses to cooperate in the ascertainment of his income. Otherwise, skillful concealment would be an invincible barrier to the determination of tax liability. (See Joseph F. Giddio, 54 T.C. 1530 (1970).) Clearly, respondent's **determinations** of tax and penalties are presumptively **correct**, and the taxpayer bears the burden of proving that they are wrong. (Appeal of K. L. Durham, Cal. St. Bd. of Equal., March 4, 1980; Appeal of Harold-G. Jindrich, Cal. St. Bd. of Equal., April 5, 1977.) No such proof has been presented. Appellant's long and weary list of "tax-protester" arguments have been considered and rejected as meritless many times. (See Appeals of Fred R. Dauberger, et al., Cal. St. Bd. of Equal., March 31, 1982.)

On the basis of the foregoing, respondent's action in this matter will be sustained.

Appeal of Warren L. Drew

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 Warren L. Drew against a proposed assessment of additional personal income tax and penalties in the total amount of \$2,091 for the income year 1979, be and same is hereby sustained.

Done at Sacramento, California, this 26th day of July, 1982, by the State Board of Equalization, with Board Members Mr. Bennett, Mr. Dronenburg and Mr. Nevins present.

William M. Bennett \_\_\_\_\_, Chairman

Ernest J. Dronenburg, Jr. \_\_\_\_\_, Member

Richard Nevins \_\_\_\_\_, Member

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