



BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of)
)
PRECIOUS FRANK THOMPSON)

For Appellant: Precious Frank Thompson, in pro. per.

For Respondent: Crawford H. Thomas
 Chief Counsel

Karl F. Munz
Counsel

OPINION

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 Precious Frank Thompson against a proposed assessment of additional personal income tax in the amount of \$70. 14 for the year 1967.

Appeal of Precious Frank Thompson

In 1969 the Internal Revenue Service audited the 1967 federal tax return of appellant Precious Frank Thompson. On September 19 of that year, it issued an audit report stating that the following adjustments had been made to the return: a sick pay exclusion was disallowed on the ground that payments received by appellant for the first 30 days of his absence from work were at a rate exceeding 75 percent of his regular weekly wage (Int. Rev. Code of 1954, § 105(d)); the size of a medical deduction was reduced because appellant had not verified that he had actually spent the amount claimed; and a deduction for a dependent's exemption was disallowed pursuant to a "withdrawal statement" signed by appellant agreeing to the disallowance.

Respondent subsequently obtained a copy of the federal audit report. Relying on that report it made corresponding adjustments to appellant's 1967 California return, and issued the proposed assessment in question. Appellant protested, and this appeal followed respondent's denial of that protest.

A determination by the Franchise Tax Board made on the basis of a federal audit report is presumed correct, and the burden is on the taxpayer to show wherein it is erroneous. (Appeal of Harry and Tessie Somers, Cal. St. Bd. of Equal., March 25, 1968; Appeal of Shedrick I. Barnes, Cal. St. Bd. of Equal., Jan. 7, 1975.) Appellant argues that respondent has disallowed deductions to which he is entitled. He has produced no evidence to support his claim, however, and so far as can be discerned from the record the adjustments made by respondent were entirely proper. We accordingly have no choice but to sustain respondent's denial of appellant's protest.

ORDER

Pursuant to the views expressed in the opinion of the board on file in this proceeding, and good cause appearing therefor,

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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 Precious Frank Thompson against a proposed assessment of additional personal income tax in the amount of \$70.14 for the year 1967, be and the same is hereby sustained.

Done at Sacramento, California, this 17th day of September, 1975, by the State Board of Equalization.

John W. Lynch, Chairman
William W. Borden, Member
George J. Kelley, Member
Paul H. Davis, Member
_____, Member

ATTEST: W. W. Dunlop, Executive Secretary