



BEFORE THE STATE BOARD OF EQUALIZATION  
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of }  
GLORIA SHANNON COX }

For Appellant: Ardie **McBrearty**

For Respondent: Bruce W. Walker  
Chief Counsel

James C. Stewart  
Counsel

O P I N I O N

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 Gloria Shannon Cox against a proposed assessment of additional personal income tax and penalties in the total amount of \$853.32 for the year 1973.

Appeal of Gloria Shannon Cox

On June 18, 1974, appellant filed a 1973 **personal income** tax return form that was devoid of financial information. Appellant declined to supply such data on **constitutional** grounds--specifically, the Fourth and Fifth **Amendments** to the U.S. Constitution--and alleged that she **had not** received any income in **constitutionally** lawful "dollars" redeemable in gold and silver. On November 14, 1974, **respondent** notified appellant that she had not filed a valid return for 1973, and it demanded that she **do so immediately**. Respondent further advised her of potential **penalty** assessments in the event she failed to comply. **U&n failing** to receive a reply, respondent estimated **appellant's** 1973 **income** from available information and issued a proposed assessment of additional **tax**, including two 25 percent penalties for failure to file a timely **return** and failure to file after notice and demand. Following an **or.61** hearing, appellant's protest against the assessment was denied by respondent, and appellant **has appealed**.

The **propriety** of respondent's assessment of **additional** tax and penalties under circumstances like these has been well: **established** in recent decisions of **this board**, (see e.g., Appeal of Donald H. Lichtle, Cal. St. Bd. of Equal., Oct. 6, 1976, and Appeal of Arthur W. Keech, Cal. St. Bd. of Equal., July 26, 1977), and on the **authority** of **thdse** decisions we will sustain respondent's action in this case.

In **passing**, we note appellant's insistence that one of the **issues** in this case is whether she **received the consideration** she bargained for **under** her contract with her employer. She states that in 1954 she contracted with the City of Los Angeles to perform certain services in exchange for a precise number of "dollars" each year. She **alleges** that she has fulfilled her **part** of the contract **each year** since 1954, but that the city has **failed to perform** its contractual **obligations** after March 18, 1968, **when** it ceased paying her in "dollars" and began giving her mere "promissory notes."

The answer to this argument is that the tax law is unconcerned with whether appellant received **what** she bargained for in her employment contract. The decisive question **is** whether what she actually received **constitutes** taxable income, and the answer to that is plain: **employment compensation** received in Federal Reserve notes **is** income. If **appellant** believes that her employer has **not paid** the agreed upon consideration for her services, she should address that complaint to her employer, not to the taxing authorities.





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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 Gloria Shannon Cox against a proposed assessment of additional personal income tax and penalties in the total amount of \$853.32 for the year 1973, be and the same is hereby sustained.

Done at Sacramento, California, this 16th day of August , 1977, by the State Board of Equalization.

 Chairman  
 , Member  
 , Member  
 , Member  
\_\_\_\_\_, Member