



BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of)
M. LESLIE AND ALICE M. GRANT)

Appearances:

For Appellants: M. Leslie Grant, in pro. per.
For Respondent: Brian W. Toman
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 M. Leslie and Alice M. Grant against a proposed assessment of additional personal income tax in the amount of \$1,591.36 for the year 1971.

Appeal of M. Leslie and Alice M. Grant

On August 2, 1973, appellants filed a delinquent joint return for the year 1971. After reviewing the return, respondent determined that appellants had failed to report an item of tax preference in the amount of \$93,654. The proposed assessment at issue reflects respondent's imposition of the preference income tax on the unreported item of tax preference. (Rev. & Tax. Code, § 17062.)

The arguments presented by appellants in support of this appeal are unrelated to the merits of respondent's action. Specifically, the arguments presented by appellants relate solely to their claim that they received no taxable income during the year 1971 because Federal Reserve notes do not constitute "taxable income". Similar claims have been considered and rejected as frivolous in prior opinions of this board. (Appeal of Armen B. Condo, Cal. St. Bd. of Equal., July 26, 1977; Appeal of Donald H. Lichtle, Cal. St. Bd. of Equal., Oct. 6, 1976; Appeal of Iris E. Clark, Mar. 8, 1976.) Consistent with these decisions, we reject appellants' arguments as utterly without merit. Accordingly, we conclude that respondent's action in this matter must be sustained.

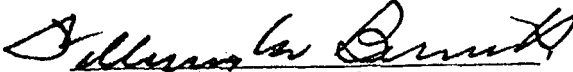
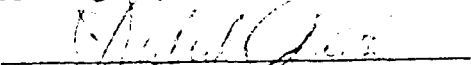

Appeal of M. Leslie and Alice M. Grant

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 M. Leslie and Alice M. Grant against a proposed assessment of additional personal income tax in the amount of \$1,591.36 for the year 1971, be and the same is hereby sustained.

Done at Sacramento, California, this 9th day of January, 1979, by the State Board of Equalization.

 Chairman
 , Member
 , Member
_____, Member
_____, Member