



BEFORE THE STATE BOARD OF EQUALIZATION

OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of }  
PACIFIC COMPANY }

Appearances:

For Appellant: Garret W. McEnerney, its Attorney

For Respondent: Chas. J. McColgan, Franchise Tax Commissioner

O P I N I O N

This is an appeal under Section 25 of the California Bank and Corporation Franchise Tax Act (Chapter 13, Statutes of 1929) from the action of the Franchise Tax Commissioner in overruling the protest of the Pacific Company against a proposed assessment of an additional tax of \$336.93, based upon the return of said corporation for the year ended December 31, 1929.

The sole point involved in this appeal is the question of the constitutionality of the requirement of the Bank and Corporation Franchise Tax Act that income from all sources (including that derived from tax exempt federal, state and municipal bonds and securities) be used in the calculation of the tax. On August 4, 1930, we made our ruling with reference to a similar appeal taken by this corporation from the determination of the Franchise Tax Commissioner with reference to its return for the year ended December 31, 1928. The grounds urged on this appeal are in all respects analogous to those which we were asked to consider in the prior appeal.

For the reasons set forth in our opinion in the case of Vortex Manufacturing Company (filed August 4, 1930), we do not feel warranted in holding the law unconstitutional. On authority of our decision in that appeal and in conformity with our ruling in the prior appeal of Pacific Company we believe that we must sustain the action of the Commissioner,

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 that the action of the Franchise Tax Commissioner in overruling the protest of Pacific Company, a corporation, against his proposed assessment of an additional tax of \$336.93, based upon the return of said corporation for the year ended December 31, 1929, under Chapter

Appeal of Pacific Company

13, Statutes of 1929, be and the same is hereby sustained.

Done at Sacramento, California, this 15th day of December, 1931, by the State Board of Equalization.

R. E. Collins, Chairman  
H. G. Cattell, Member  
Fred E. Stewart, Member  
Jno, C. Corbett, Member

ATTEST: Dixwell L. Pierce, Secretary