



BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of)
MERRYMAN ESTATE COMPANY)

Appearances:

For Appellant: D. E. Perkins of Feemster, Perkins & McCormack; R. C. Merryman, Secretary of Appellant
For Respondent: Chas. J. McColgan, Franchise Tax Commissioner

O P I N I O N

This is an appeal under Section 25 of the Bank and Corporation Franchise Tax Act (Chapter 13, Stats. 1929, as amended) from the action of the Franchise Tax Commissioner in overruling the protest of Merryman Estate Company against a proposed assessment of an additional tax in the amount of \$1,685.47 for the year 1931, based on Appellant's return for the year ended December 31, 1930.

Merryman Estate Company was incorporated under the laws of the State of California on August 1, 1924. Following its organization, it acquired all of the stock of the Merryman Fruit Land and Lumber Company, a corporation organized under the laws of Wisconsin. The Appellant also acquired a certain installment contract arising from the sale of timber lands, the balance owing on which on January 1, 1930, was \$875,000,

Appellant contends that it is purely a family holding corporation, all of its stockholders being members of the Merryman family and consequently, that it is not to be considered as doing business within the State of California and therefore not subject to taxation under the Act.

The problem involved in this appeal is substantially the same as that in the Appeal of the Union Oil Associates, decided by us on this date. In accordance with our views therein expressed, we hold that the Appellant is to be considered, under the terms of the Bank and Corporation Franchise Tax Act, as a business corporation doing business in this State, and, consequently, is required to pay a tax for the privilege of doing business during the year 1931, measured by its net income for the next preceding year.

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,

Appeal of Merryman Estate Company

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, that the action of Chas. J. McColgan, Franchise Tax Commissioner, in overruling the protest of Merryman Estate Company, against a proposed assessment of additional tax under Chapter 13, Statutes of 1929, as amended, be and the same is hereby sustained.

Done at Sacramento, California, this 10th day of October, 1932, by the State Board of Equalization.

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

ATTEST: Dixwell L. Pierce, Secretary