

At the time we issued our opinion on this question, the record showed that Alco's representative in charge of Alco's California sales office was paid a salary of \$98,000 for the year 1959. In its petition for rehearing, appellant states that the California salesman actually received a salary of \$13,800 for that year.

We said in the course of our opinion in this matter that Alco's payment of a very substantial salary to its California salesman indicated Alco's recognition of the value of his services. This was not the gravamen of our decision, however. If the annual salary of \$98,000 is removed from the picture and replaced by the substantially lower figure of \$13,800, the fact remains that the direct negotiations of the sales in question were conducted by the California salesman from an office maintained in California for the sole purpose of making sales. Those negotiations constituted "employee sales activity" as the phrase is used in respondent's

Appeal of Citadel Industries, Inc.,
successor in interest to
Alco Products, Incorporated

regulation (Cal. Admin. Code, tit. 18, reg. 25101) and were sufficient to sustain respondent's assignment to California of the sales thus negotiated.

ORDER

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 25667 of the Revenue and Taxation Code, that the petition for rehearing of the appeal of Citadel Industries, Inc., successor in interest to Alco Products, Incorporated, from the action of the Franchise Tax Board on protests against proposed assessments of additional franchise tax in the amounts of \$79.49 and \$2,084.64 for the income years 1958 and 1959, respectively, be and the same is hereby denied and that our order of June 28, 1966, be and the same is hereby affirmed.

Done at Sacramento, California, this 1st day of September 1966, by the State Board of Equalization.

[Signature], Chairman
John W. Lynch, Member
Paul R. Leach, Member
[Signature], Member
[Signature], Member

ATTEST: [Signature], Secretary

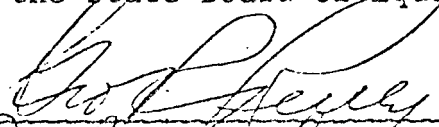
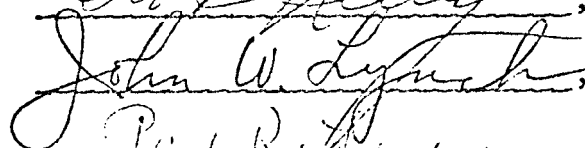
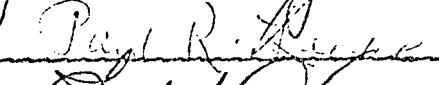

BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

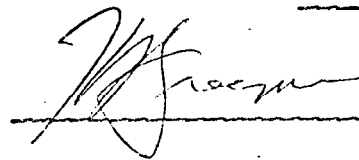
In the Matter of the Appeals of)
PONTICOPOULOS, INC.)

ORDER CORRECTING CLERICAL ERROR

It is hereby ordered that the word "Sacramento," appearing on line 9 of the last page of the opinion and order issued by the board on September 1, 1966, in the matter of the Appeals of Ponticopoulos, Inc., be changed to "September,"

Done at Sacramento, California, this 6th day of October, 1966, by the State Board of Equalization.


_____, Chairman

_____, Member

_____, Member

_____, Member
_____, Member.

ATTEST: 
_____, Secretary