

BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of)
)
JAMES B. and KATHERINE M. **BECKHAM**)

For Appellants: James B. and Katherine M.
 Beckham, in pro. per.

For Respondent: Bruce W. Walker
 Chief Counsel

Kathleen M. Morris
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 James B. and Katherine M. **Beckham** against a proposed assessment of additional personal income tax in the amount of \$47.92 for the year 1972.

Appeal of James B. and Katherine M. Beckham

On their joint personal income tax return for 1972, appellants claimed a \$1,200 deduction for child care expenses. Revenue and Taxation Code section 17262 authorizes such a deduction, and during the year in question it provided, in relevant part, that a taxpayer who is a woman could deduct up to \$900 for the expenses of caring for two or more dependents, if such care was necessary to enable the taxpayer to be gainfully employed. Subdivision (b) (2) (B) of that section provided, however, that the deduction otherwise allowable to a married woman had to be reduced by "the amount (if any) by which the adjusted gross income of the taxpayer and his spouse exceeds six thousand dollars (\$6,000). Since appellants' adjusted gross income for 1972 was over \$17,000, respondent disallowed all of appellants' claimed deduction for child care expenses and assessed the deficiency in issue. Respondent's action was clearly correct under section 17262, and it will therefore be sustained.

During the protest proceedings before the Franchise Tax Board, appellants apparently objected to paying interest on the deficiency. In numerous prior cases where this issue was raised, we held that the assessment of interest on a deficiency is mandatory under Revenue and Taxation Code section 18688. (See, e.g., Appeal of Robert W. and Margaret H. Rector, Cal. St. Bd. of Equal., June 3, 1975; Appeal of Ruth Wertheim Smith, Cal. St. Bd. of Equal., Aug. 3, 1965.) The same rule applies to this case.

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 James B. and Katherine M. Beckham

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 James B. and Katherine M. **Beckham** against a proposed assessment of additional personal income tax in the amount of \$47.92 for the year 1972, be and the same is hereby sustained.

Done at Sacramento, California, this 28th day of June , 1977, by the State Board of Equalization.

William G. Bennett Chairman
Paul Gevi , Member
Jess Sappley , Member
Geoff Healy , Member
_____, Member