

BEFORE THE STATE BOARD OF EQUALIZATION
OF THE STATE OF CALIFORNIA

In the Matter of the Appeal of }
ALANM.NEWMAN }
)

Appearances:

For Appellant: Alan M. Newman, in pro. per.

For Respondent: Jon Jensen
Counsel

O P I N I O N

This appeal is made pursuant to section 19594 of the Revenue and Taxation Code from the action of the Franchise Tax Board on the protest of Alan M. Newman against a proposed assessment of additional personal income tax of \$474.00, including penalties, for the year 1974.

Appeal of Alan M. Newman

The issues presented are: (1) whether appellant received **taxable** income in 1974; and (2) whether respondent properly imposed **penalties** for failure to file and failure to file after notice and demand.

Appellant's personal income tax return for the year 1974 consisted of a 116 page document attached to a return form, neither of which disclosed any information about appellant's income. Instead, appellant had inserted **the phrase** "Objects: Self-Incrimination" in the spaces provided for income information.

After respondent received an information return from appellant's employer stating that it had paid appellant **\$10,800.00** during 1974, respondent demanded that appellant file a valid return reporting his income. When appellant failed to do so, submitting instead another return form showing no income, respondent issued its proposed assessment based on the **\$10,800.00**. In addition, respondent imposed penalties for failure to file and failure to file after notice and demand.,

Appellant's primary objection is that dollars have no assignable value for purposes of reporting income because they are not redeemable in gold or silver. At the oral hearing in this matter, he asked respondent to supply **him with** a "conversion factor" for federal reserve notes to determine the value of a dollar, in order to determine his tax liability.

The questions and arguments raised by this appeal are substantially similar to those presented in the Appeal of Richard E. Krey, decided by this board on February 3, 1977, and the Appeal of Donald H. Lichtle, decided October 6, 1976. On the **basis of those** decisions, and for the reasons stated therein, we must sustain respondent's' action with respect to the proposed assessment.

We must also sustain respondent's action in **assessing** penalties for appellant's failure to file a return and for his failure to do so upon notice and demand. The return initially filed by appellant as well as the second form filed were devoid of information concerning his gross income and allowable deductions for 1974. Such documents do not satisfy the filing requirements of the Revenue and Taxation Code and respondent's regulations. (See Rev. & Tax. Code, § 18401; Cal. Admin. Code, tit. 18, reg. 18401-18404(f).) Moreover, **appellant's** failure to file a proper 1974 return was not, in our opinion, due to reasonable cause. (Appeal of Richard E. Krey, r a .)

