

The issue presented is whether appellants have shown any error in respondent's proposed assessments. For the year 1974, the subject assessment was made against both appellants. For the other three years, the subject assessments were made only against: Ronald E. Hansen. Therefore, "appellant" shall refer only to Ronald E. Hansen.

Appellants filed a timely 1974 joint California personal income tax return claiming itemized deductions in the total amount of \$5,386.00. After receiving information indicating that the United States Tax Court had disallowed a portion of these itemized deductions, respondent requested from appellants a copy of the federal audit report which had led to the court action. Appellants' only response was to inform respondent that they had never submitted to a federal audit. Respondent, therefore, issued a proposed assessment of additional tax, disallowing all the claimed itemized deductions and allowing the standard deduction for a married couple filing jointly in accordance with Revenue and Taxation Code section 17171. It also imposed a 25 percent penalty for failure to furnish requested information. (Rev. & Tax. Code, § 18683.) Appellants protested the proposed assessment but failed to attend the scheduled hearing.

Before the proposed assessment was affirmed, respondent was able to obtain a copy of the federal audit report from the Internal Revenue Service pursuant to subdivision (d) of section 6103 of the Internal Revenue Code. In accordance with this report, respondent revised the proposed assessment to allow the deductions permitted by the Internal Revenue Service and to adjust the amount of the penalty.

After appellants' protest of the 1974 proposed assessment, respondent received information indicating that appellant Ronald E. Hansen had received income in 1975, 1976, and 1977. Since respondent had no record of returns having been filed for those years, it demanded that appellant file. In response, appellant filed a California income tax Form 540 which disclosed no information regarding his income, deductions, or credits. Respondent then issued proposed assessments for the years 1975, 1976, and 1977 based upon information received from the California Employment Development Department. For each of these years, respondent imposed 25 percent penalties for failure to file a return and failure to file a return after notice and demand, and a 5 percent penalty for negligence. (Rev. & Tax. Code, §§ 18681, 18683, and 18684.) In addition, for the years 1975 and 1977, respondent imposed a penalty for failure to pay estimated tax. (Rev. & Tax. Code, § 18685.05.) Appellant protested each of these proposed assessments but did not attend the scheduled hearing. Thereupon, respondent affirmed the proposed assessments for all the years at issue, and this timely appeal followed.

Appeal of Ronald E. and Iris V. Hansen

Respondent's determinations of tax and penalties are presumed correct, and the taxpayer bears the burden of proving any error. (Appeal of K.L. Durham, Cal. St. Bd. of Equal., March 4, 1980.) Appellants have produced no evidence to prove that respondent's determinations were incorrect. They merely state that they 'did not receive income which would justify the proposed assessments. We have frequently held that a taxpayer's unsupported statement is not sufficient to meet his burden of proof. (Appeal of George C. Broderick, Cal. St. Bd. of Equal., Sept. 21, 1982; Appeal of Robert C. Sherwood, Deceased, and Irene Sherwood, Cal. St. Bd. of Equal., Nov. 30, 1965.) Since appellants have not met their burden of proof, respondent's action must be sustained.

