

within that state or country which is taxable under its laws irrespective of the residence or domicile of the recipient."

The Appellants contend that the Indiana tax imposed on the pension received by Mr. Knudsen was a net income tax. The Franchise Tax Board, on the other hand, argues that the Indiana tax is a gross receipts tax which is not allowable as a credit under Section 17976. Respondent further contends that the pension received by Mr. Knudsen was derived from an intangible which, under the established doctrine of mobilia sequuntur personam, had a situs for income tax purposes at the domicile of the Appellant. Since we have concluded that the tax paid to the State of Indiana was not a net income tax we are not called upon to determine the source of the income in question.

The Indiana tax was paid under the provisions of the Indiana Gross Income Tax Act, which applies generally to all who receive income in the State above \$1,000. Section 1 of the Act declares that the term gross income as used therein means "the gross receipts of the taxpayer received as compensation for personal services, including but not in limitation thereof, wages, bonuses, pensions, salaries *** without any deductions on account of losses, and without any other deductions of any kind or character.?? By Section 2 of the Act the tax is imposed "upon the receipt of gross income derived from activities or businesses or any other source within the state of Indiana, of all persons who are not residents of the state of Indiana.***." The Indiana Regulations provide (Reg. 1000) that in the application of the tax "gross income and gross receipts are synonymous***."

Appellants assert that as applied to income derived from personal services the Indiana tax is in effect a net income tax. They have not, however, furnished us with any authority in support of this conclusion. An examination of the Act does not disclose any of the usual attributes of a net income tax. To the contrary, in Adams Manufacturing Co. v. Storen, 304 U. S. 307, 308, the United States Supreme Court stated, with reference to the Act, that "Section 2 imposes a tax ascertained by the application of specified rates to the gross income of every resident of the State and the gross income of every non-resident derived from sources within the State.⁷³ Furthermore, at page 311, the Court, after noting that the regulations treat the exaction as a gross receipts tax stated "We think this a correct description." The action of the Franchise Tax Board, accordingly, must be sustained.

