

Appeal of Thomas C. and Lucrene H. Chandler

Appellants filed a timely return for the year in question and claimed a business expense deduction of **\$4,488.00** in connection with the "Purchase of Business From Sell Enterprises." Respondent disallowed the deduction when appellants offered no explanation of the business expenses regarding inventory, fixtures, etc., and issued a proposed assessment of additional personal income tax. Appellants protested but offered no **information** or substantiation regarding the deduction for the purchase of the business. The only comment made by Mr. Chandler at the protest hearing was that he earned no dollars and therefore owed no tax.

It is well settled that respondent's determinations of tax are presumptively correct, and the taxpayer bears the burden of proving them erroneous. (Appeal of Ronald W. Matheson, Cal. St. Bd. of Equal., Feb. 6, 1980; Appeal of David A. and Barbara L. Beadling, Cal. St. Bd. of Equal., Feb. 3, 1977; Appeal of Myron E. and Alice Z. Gire, Cal. St. Rd. of Equal., Sept. 10, 1969.)

In this appeal, appellants have offered no information concerning the newly acquired business. They merely urge that they do not owe the tax. Such an unsupported statement is not sufficient to shift the burden of proof to respondent. (Appeal of K. L. Durham, Cal. St. Rd. of Equal., March 4, 1980.) Accordingly, appellants have failed to carry their burden of proving respondent's determination erroneous, and respondent's proposed assessment must therefore be sustained. (Appeal of Myrtle R. Peterson, Cal. St. Bd. of Equal., April 6, 1978.)

