

STATE BOARD OF EQUALIZATION

OFFICE CORRESPONDENCE

395.2220

Sacramento, California
August 14, 1951

To: Mr. Wm. R. Thomson (PER)

From: E. H. Stetson

Re: Inquiry of ---, --- & ---,
Attorneys at Law re
M---s' of H---

Account X- XXXXX

With reference to your memorandum of June 29 regarding the above subject, it is our opinion that the distribution of furniture and fixtures of the corporation to one of its stockholders in return for the stock held in the corporation by that stockholder which is to be retired by the corporation pursuant to its plan to reduce its stated capital, constitutes a taxable transaction. The amount subject to tax is the value of the stock exchanged for the tangible personal property.

EHS:ja