

CALIFORNIA FRANCHISE TAX BOARD

Legal Ruling No. 310

August 25, 1966

DEFINITION OF MONTH

Syllabus:

The existing regulations with respect to commencing and dissolving corporations treat periods of more than one-half a calendar month as a month and partial periods of one-half a month or less are disregarded.

Accordingly, for an initial partial month to be considered a full month for purposes of Section 23222, a business must commence in the case of:

- (a) a 28-day month -- 14th or before
- (b) a 29-day month -- 15th or before
- (c) a 30-day month -- 15th or before
- (d) a 31-day month -- 16th or before

So that the last partial month will not be considered a full month in the case of a dissolving corporation subject to proration of tax under Sections 23331 and 23332, dissolution or withdrawal must occur in the case of:

- (a) a 28-day month -- 14th or before
- (b) a 29-day month -- 14th or before
- (c) a 30-day month -- 15th or before
- (d) a 31-day month -- 15th or before

Thus, if a corporation's initial period of doing business amounts to more than a half-month, that month will be deemed a full month for purposes of determining whether the corporation's first taxable year constitutes a period of 12 months' business operations.

With respect to a dissolving corporation completely inactive during its final taxable year, no tax other than the minimum is required.

Proration is applicable only to corporations with activity in their final taxable year. This ruling revokes Legal Ruling 148.