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January 25, 1989

FTB Notice 89-004
410:EJC:ds:CN-89-004

Re: Combined Reporting

On December 12, 1988, an Intended Decision was issued by Robert Gardner, Judge Pro Tem of the Sacramento County Superior Court, in ~~Colgate Palmolive Company v. Franchise Tax Board~~, Case No. 319715. That Intended Decision held for Colgate on one of the three issues presented in the case, and held for Franchise Tax Board on the remaining two issues.

Franchise Tax Board will appeal any final decision by the superior court which is entered in favor of Colgate and against Franchise Tax Board. Pending the final resolution of all appeals in the case, and absent a final decision against Franchise Tax Board after all appeals have been completed, except with respect to water's-edge elections, Franchise Tax Board will continue to require worldwide combined reporting for domestic (or foreign) parent corporations engaged in a worldwide unitary business.

Glenn L. Rigby
Chief Counsel

NOTE: ((---)) = Indicates obsolete information.