

STATE OF NEW YORK

DEPARTMENT OF TAXATION AND FINANCE  
BOARD OF CONFERRERS - CORPORATION TAX BUREAU

In the Matter of Applications of :  
  
SELECTRO CORPORATION :  
  
for revision or refund of franchise : Hearing Case No. 3561  
taxes under Article 9A of the Tax :  
Law for the years 1961 and 1962. :

The taxes were originally computed by the corporation without claiming any allocation, as follows:

<u>Year</u>	<u>Net Income</u>	<u>Tax at 5 1/2%</u>	<u>Date Report Filed</u>
1961	\$754,676.97	\$41,507.23	8/14/63
1962	764,599.51	42,052.97	8/16/63

Applications were timely filed on October 22, 1964.

Informal hearing was held in New York City on June 15, 1965 before D. H. Gilhooly. The taxpayer was represented by J. William Janis and Elliot Leinwand of Janis & Kaplan, CPA's., 521 Fifth Avenue, New York City, and Ronald W. Winters of Arthur Young & Company, 55 Jericho Turnpike, Westbury, N.Y.

The taxpayer erroneously failed to claim a business allocation when its reports were originally filed.

The taxpayer, an electronic manufacturer, has its own manufacturing plant, staffed by its own employees at Walton-on-Thames, Surrey, England, and therefore is entitled to the business allocation which it claimed on the allocation schedules which were submitted with its applications for revision. An audit of the returns indicates the taxpayer has allocated all property and wages to New York except for those at Surrey, England, which are properly allocable outside New York. The shipments from Surrey are the only receipts completely allocated outside New York. All other receipts have been correctly allocated either 50% or 100% to New York depending upon points to which shipped.

The Board recommends the following corrected taxes:

<u>Year</u>	<u>Net Income</u>	<u>Business Alloc. %</u>	<u>Income Allocable to NY</u>	<u>Corrected Tax at 5 1/2%</u>	<u>Sub.Cap. Tax</u>	<u>Total Tax</u>
1961	\$754,676.97	81.7690	\$617,091.81	\$33,940.05	\$82.21	\$34,022.26
1962	764,599.51	77.6773	593,920.26	32,665.61	167.64	32,833.25
			<u>1961</u>	<u>1962</u>		
			Original Tax	\$41,507.23	\$42,052.97	
			Corrected Tax	<u>34,022.26</u>	<u>32,833.25</u>	
			Reduction	\$ 7,484.97	\$ 9,219.72	

/s/

WILLIAM F. SULLIVAN

**Chairman**

Approved  
E. A. DORAN

/s/

DONALD H. GILHOOLY

DC:MB  
August 6, 1965

Approved  
JAMES R. MACDUFF  
8/16/65