

Corporation Not Determined. A-Z
Sunbeam Corporation

STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE
BOARD OF CONFERES - CORPORATION TAX BUREAU

In the Matter of the Application of

SUNBEAM CORPORATION

FOR REVISION OR REFUND OF FRANCHISE
TAX UNDER ARTICLE 9-A OF THE TAX LAW
FOR THE FISCAL YEAR ENDED MARCH 31,
1964.

Hearing Case No. 6336

The taxpayer filed reports and paid taxes as follows:

	<u>3/31/64</u>	<u>3/31/66</u>
Entire Net Income	\$7,467,558.16	\$15,732,499.76
Business allocation	1.1500%	1.0808%
Allocated income	85,876.92	170,036.86
Tax at 5 1/2%	4,723.23	9,352.03
Subsidiary Capital Tax	223.99	247.57
Total Tax	\$ 4,947.22	\$ 9,599.60

Estimated installment payments aggregating \$8,639.98 were made for the fiscal year ended March 31, 1967.

On June 8, 1967 the taxpayer filed a timely application for revision or refund for the fiscal year ended March 31, 1964 and claims for credit or refund for the fiscal years ended March 31, 1966 and March 31, 1967, accompanied by an activities report on form CT-245 for each year. The taxpayer contends it was not subject to franchise tax because its activities in New York were entirely in interstate commerce.

The information contained on form CT-245 and in taxpayer's letter of November 17, 1967 indicates that the corporation maintains merely a sales solicitation office in New York with orders being accepted at the home office in Illinois, and all shipments are made from points outside of New York to customers. Accordingly, the corporation is exempt from franchise tax pursuant to example 1 of section 1.6 g of Ruling of the Tax Commission dated March 15, 1962, which reads:

Example 1: A foreign manufacturing corporation has its factory outside New York. Its only activity in New York is the solicitation of orders for its products through traveling salesmen or a sales office. The orders are forwarded to its home office outside the state for acceptance and the merchandise is shipped by common carrier from the factory direct to the purchasers. The corporation is not subject to the New York franchise tax, because its sole activities in New York are in interstate commerce.

It is recommended that the taxes paid be refunded as follows:

	<u>3/31/64</u>	<u>3/31/66</u>	<u>3/31/67</u>
Tax paid	\$4,947.22	\$9,599.60	\$8,639.98
Tax due	- 0 -	- 0 -	- 0 -
Refund due	\$4,947.22	\$9,599.60	\$8,639.98

Approved
E. A. DORAN

A. B. MANLEY /s/
1/15/68

W. F. SULLIVAN
Chairman

/s/ D. H. GILHOOLY

/s/ J. J. GENEVICH