

*Income Tax Determinations*  
A-2

BUREAU OF LAW *Bookspan, Leo*  
MEMORANDUM

TO: Commissioners Murphy, Palestin and Macduff

FROM: E. H. Best, Counsel

SUBJECT: Leo Bookspan, Individually, and Albert Swartz, Individually, d/b/a Neilin Fabrics  
*x ref*

Transmitted herewith pursuant to E-43 of the E memoranda are files on the above taxpayers in which a request has been made for settlement on the basis of reduction of penalty and interest charges in excess of \$1,000.

The above taxpayers and the partnership in which they were engaged were assessed in 1957 for the taxable years 1943 and 1944. The state assessments were apparently based on Federal audits. Both taxpayers have offered to satisfy the current indebtedness by payment of the basic tax, plus 50% penalty, and interest at 6%. The original assessments carried 100% penalty and 12% interest. The taxpayers had apparently been having difficulties until recent times, and are now seeking to settle their Federal tax liabilities as well as the State tax liabilities which are still outstanding.

On the basis of the outstanding Federal indebtedness, both taxpayers are legally insolvent. The recommendation that the offer of payment by reduction of penalty and interest be accepted is shown in memorandum from Mr. Blume and approval of the proposed settlement is also shown in the memorandum of Deputy Commissioner Mitchell dated May 19, 1966.

Approval of the Commission of the proposed settlement is recommended by this office. Upon completion of action by the Commission, please have the files returned to this office for further processing.

*E. H. Best*  
Counsel

Enc.  
MK:SC:aw

May 24, 1966

*Proposed settlement*  
*Approved*  
*5/27/66*  
*Handwritten signature*  
*6/4/66*  
*OK JAW*  
*6/8/66*