

POOR
QUALITY
THE FOLLOWING
DOCUMENT (S)
ARE
FADED & BLURRED

PHOTO MICROGRAPHICS INC.

1967 Income Tax Determinations
BUREAU OF LAW

MEMORANDUM

Paul, Franz A-2

TO:

FROM: Commissioners Murphy, Macduff and Conlon

SUBJECT: Francis V. Dow, Hearing Officer

In the Matter of the Application of
Francis Paul for Revision or Refund of
Personal Income Taxes Under Article
16 of the Tax Law for the Years 1956,
1957 and 1959

A hearing with reference to the above matter was held before me at 80 Centre Street, New York, New York on October 6, 1966. The appearances and the evidence produced were as shown in the stenographic notes and exhibits submitted herewith.

The issues involved herein are (1) the amount of the taxpayer's income for the years 1956 and 1957, and (2) the amount of the taxpayer's deductions for the year 1959. The taxpayer failed to file New York income tax returns for the years 1956 and 1957. Assessments were issued for 1956 (Assessment No. ANYA 98120) and 1957 (Assessment No. ANYA 98121) on February 26, 1963 assessing normal tax, penalty and interest due in the sum of \$494.36 and \$520.51 for the respective years, based on net income (income less deductions) of \$12,000 for each of the years 1956 and 1957. The taxpayer filed a tax return for 1959. An assessment was issued for 1959 (Assessment No. ANYA 98122) on February 26, 1963 assessing normal tax due in the sum of \$34.60 based on the lack of substantiation of the deductions claimed. The assessment allowed the taxpayer the standard deduction of his income amounting to \$647.50.

The taxpayer's income in 1956 and 1957 was determined from his written statement that he earned from \$0 to \$12,000 and that he had contributions of \$0 to \$12,000 and that he lost more money in both years than he earned. The taxpayer, however, refused to show in greater detail the amount of income earned during each year. He claimed that his records for those two years were stolen from him. It is my opinion that the taxpayer's statement that he earned \$12,000 referred to his gross income and not his income after allowable deductions. The taxpayer, therefore, should be allowed the standard deduction of \$500 for the years 1956 and 1957 as provided for in Section 300(18) of the Tax Law.

The taxpayer reported compensation for the year 1959 in the sum of \$6,475. The deductions claimed by him for that year totaled \$10,139. He alleged that a deduction of \$8,650 represented money "lost by theft and fixing by New York State officials and courts". The other deductions claimed by the taxpayer for 1959 amounting to \$1,489 were not itemized. The taxpayer claimed that he had records to substantiate these deductions, but did not produce any evidence or offer to produce such records at any time.

For the reasons stated above, I recommend that the determination of the State Tax Commission in the above matter be substantially in the form submitted herewith.

/s/

FRANCIS V. DOW

~~REPLYING OFFICER~~

FVE:lb

Enc.

March 2, 1967 3-14-67

OK ml
SJA

STATE OF NEW YORK

STATE TAX COMMISSION

IN THE MATTER OF THE APPLICATIONS

OF

FRANK PAUL

FOR REVISION OR REFUND OF PERSONAL
INCOME TAXES UNDER ARTICLE 16 OF THE
TAX LAW FOR THE YEARS 1956, 1957 AND
1959

The taxpayer, Frank Paul, having duly filed applications for revision or refund of personal income taxes under Article 16 of the Tax Law for the years 1956, 1957 and 1959, and a hearing having been held in connection therewith at the office of the State Tax Commission, 60 Centre Street, New York, New York on October 6, 1966 before Francis V. Dow, Hearing Officer, of the Department of Taxation and Finance, at which hearing the taxpayer appeared and testified, and the record having been duly examined and considered,

The State Tax Commission hereby finds:

(1) That the taxpayer was a resident of New York during the years 1956 and 1957; that the taxpayer failed to file New York income tax returns for the years 1956 and 1957; that the taxpayer stated that in 1956 and 1957 he earned from \$0 to \$12,000; that thereafter assessments were issued for such years based on net income of \$12,000 for each of said years (Assessment No. ANYA 96120 in the amount of \$404.96 for the year 1956 and Assessment No. ANYA 96121 in the amount of \$320.51 for the year 1957).

(2) That the taxpayer's gross income for the year 1956 was \$12,000 and that his personal exemption for that year was \$2,900; that the taxpayer's gross income for the year 1957 was \$12,000 and that his personal exemption for 1957 was \$2,900; that the taxpayer

failed to submit any evidence of his allowable deductions for the years 1956 and 1957, nor any evidence to show that his income was less than \$12,000 for each of the years involved.

(3) That the taxpayer filed a New York resident income tax return for the year 1959 on which he reported total compensation of \$6,473 and claimed deductions in the sum of \$18,139; that \$8,000 of his deductions represented money "lost by theft and firing by New York State officials and courts"; that an assessment (Assessment No. ANYA 96122) was issued for the year 1959 disallowing the deductions claimed on the taxpayer's return because of lack of substantiation, allowing a standard deduction of 10% of his income amounting to \$647.30 and assessing additional normal tax due in the sum of \$34.60.

(4) That the taxpayer failed to produce his records or to submit any evidence to substantiate the deductions claimed by him in his 1959 tax return.

Based upon the foregoing findings and all the evidence presented herein, the State Tax Commission hereby

DIRECTIVES:

(A) That by virtue of Finding (2) above, the taxpayer is allowed the standard deductions of \$800 from his income in addition to his personal exemptions of \$2,000 for the years 1956 and 1957 in computing his New York taxable income as provided by section 100(12) of the Tax Law; that, accordingly, the assessment for 1956 (Assessment No. ANYA 96120) is modified by reducing the normal tax by the sum of \$31; that the 1956 normal tax less statutory reduction plus penalty and interest computed to March 15, 1963, the date of the assessment, in the modified amount of \$451.01 is correct; that the assessment for 1957 (Assessment No. ANYA 96121) is modified by reducing the normal tax by the sum of \$31; that the normal tax plus penalty and interest computed to March 15, 1963, the date of the assessment, in

the modified amount of \$475.82 is correct; that the assessments as modified do not include any tax or other charges which could not have been lawfully demanded; that the taxpayer's applications for revision or refund with respect to the assessments for 1956 and 1957, as modified, be and the same are hereby denied.

(2) That the taxpayer has failed to submit any proof to substantiate the deductions claimed by him for the year 1959; that the assessment for the year 1959 (Assessment No. ASEA 96122) is, therefore, correct; that said assessment does not include any tax or other charge which could not have been lawfully demanded, and that the taxpayer's application for revision or refund with respect to the assessment issued for 1959 be and the same hereby is denied.

Dated: Albany, New York the 23rd day of March , 1967.

STATE TAX COMMISSION

/s/

JOSEPH H. MURPHY

PRESIDENT

/s/

JAMES R. MACDUFF

COMMISSIONER

/s/

WALTER MACLYN CONLON

COMMISSIONER