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## BUREAU OF LAW

## MEMORANDUM

*Income Tax Determinations*  
*A-Z*  
*Jacobsen, August J. & Kari*

TO: State Tax Commission

FROM: Francis V. Dow, Hearing Officer

SUBJECT: August J. and Kari Jacobsen

For a Redetermination of a  
Deficiency or for Refund of  
Personal Income Taxes under  
Article 22 of the Tax Law  
for the year 1961

A hearing with reference to the above matter was scheduled before me on February 9, 1967 and December 22, 1967. The taxpayers defaulted on both occasions.

The question involved herein is the adjustment of the taxpayers' taxable income for 1961 to conform with the audit of their Federal income tax return for the said year.

The Internal Revenue Service audited the taxpayers' Federal tax return for 1961 and disallowed contributions of \$405.00 as unsubstantiated, a deduction claimed for taxes in the amount of \$140.00 as not supported by acceptable evidence, and a deduction of \$183.00 claimed for the cost of tools as not supported by adequate records and receipts. Interest income of \$82.00 was not included in their return and was added to their reported income. Accordingly, the Income Tax Bureau issued a notice of deficiency and statement of audit changes (File No. 1-3922149) to include the amounts disallowed and their additional income to their corrected New York taxable income. The taxpayers failed to substantiate the deductions disallowed or show that unreported interest income was not taxable.

For the reasons stated above, I recommend that the decision of the Tax Commission denying the taxpayers' petition in the above matter, be substantially in the form submitted herewith.

/s/

FRANCIS V. DOW

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Hearing Officer

FVD:dv

Enc.

January 29, 1968

1-31-68

STATE OF NEW YORK

STATE TAX COMMISSION

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IN THE MATTER OF THE PETITION

OF

AUGUST J. AND KARI JACOBSEN

FOR A REDETERMINATION OF A DEFICIENCY  
OR FOR REFUND OF PERSONAL INCOME TAXES  
UNDER ARTICLE 22 OF THE TAX LAW FOR  
THE YEAR 1961  
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The taxpayers, having filed a petition for a redetermination of a deficiency or for refund of personal income taxes under Article 22 of the Tax Law for the year 1961, and notices of hearing having been mailed to the taxpayers scheduling a formal hearing to be held at the office of the State Tax Commission at 80 Centre Street, New York, New York, on February 9, 1967 and December 22, 1967 before Francis V. Dev, Hearing Officer of the Department of Taxation and Finance, and the taxpayers having failed to appear on both occasions and their default having been duly noted, the matter having been examined and considered,

The State Tax Commission hereby finds:

(1) That the taxpayers filed a New York resident tax return for the year 1961 on which they reported taxable income in the amount of \$8,855.51; that a notice of deficiency and statement of audit changes (File No. 1-3922149) were issued on January 18, 1965 to conform with the audit of their Federal income tax and interest in the sum of \$64.40.

(2) That the Internal Revenue Service disallowed contributions claimed in the amount of \$405.00 as unsubstantiated, a deduction claimed for taxes in the amount of \$140.00 as not supported by acceptable evidence, and a deduction of \$183.00 for the cost of tools as not supported by adequate records and receipts, and added interest income to their taxable income of

\$82.00 that was not included in their return; that the taxpayers failed to submit any evidence to substantiate the deductions claimed or that unreported interest income was not taxable.

Based upon the foregoing findings, the State Tax Commission hereby

**DECIDES:**

(A) That the taxpayers failed to substantiate deductions claimed for contributions in the amount of \$405.00, taxes in the amount of \$140.00 and cost of tools in the amount of \$183.00 on their 1961 income tax return; that the interest income of the taxpayers in the amount of \$82.00 was not reported by them in their reported income for 1961 and was taxable income.

(B) That the notice of deficiency and statement of audit changes (File No. 1-3922149) issued against the taxpayers for the year 1961 were properly and timely issued; that the taxpayers' additional tax and interest liability is correct and legally due and owing and the taxpayers' petition for redetermination of the deficiency or for refund of personal income taxes for the year 1961 be and the same is hereby denied.

Dated: Albany, New York this 13th day of February, 1968.

**STATE TAX COMMISSION**

/s/ JOSEPH H. MURPHY

**PRESIDENT**

/s/ A. BRUCE MANLEY

**COMMISSIONER**

**COMMISSIONER**