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BUREAU OF LAW

MEMORANDUM

Income Tax Determinations
A-2

Ruzzo, Victor and Frances

TO: **State Tax Commission**

FROM: **E. H. East, Counsel**

SUBJECT: **Offer in Compromise
Victor and Frances Ruzso
Warrant Nos. S 302 and S 303**

This office has received an offer from Victor and Frances Ruzso to pay \$1,000 in full satisfaction of the above warrants. On the basis of an investigation by the Special Investigations Bureau an assessment was issued and Warrant No. S 302 was filed against Victor Ruzso for taxes due for the years 1949 through 1954 showing a basic tax of \$45,632.12, plus penalties and interest of \$106,646.67, making a total due on May 15, 1956, the date of filing of the warrant, of \$152,278.79. Warrant No. S 303 was filed against Victor and Frances Ruzso on the same date for the year 1945, showing a basic tax of \$1,677.25, plus penalties and interest of \$5,736.26, making a total due on date of filing \$7,413.45.

From the information contained in the Offer in Compromise and from past hearings in Supplementary Proceedings conducted by the Albany Legal Enforcement Unit, it appears that Mr. and Mrs. Ruzso have no assets from which any part of the balance due on these warrants can be collected. It further appears that the taxpayers have compromised a Federal income tax claim amounting to \$57,000 for the years 1950-1960 for the sum of \$1,100, plus a percentage of any income earned by Mr. Ruzso in excess of \$7,500 a year thereafter. In view of the fact that the petitioners are 66 and 67 years of age, respectively, and are unemployed at present, it would appear that the chance of obtaining payment from any possible future earnings would be remote.

From a review of the Offer in Compromise, it appears that the taxpayers are insolvent, and that the amount offered is more than could be obtained by legal proceedings. It is the opinion of this office that the offer should be accepted. Mr. Mitchell, Director of the Special Investigations Unit, concurs in this recommendation as noted in the memorandum from him included in the file.

Forwarded herewith are the Legal Enforcement Unit files, the IT-107 Offer in Compromise and the proposed Order

of Congress. If you concur with the recommendations of
this office, please execute three copies of the order and
return all papers to this office for further processing.

JER:104

Enc.

August 24, 1968

MLC

COMMUNICATIONS

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STATE OF NEW YORK

STATE TAX COMMISSION

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In the Matter of the Application :
 of :
Victor Ruzzo and Frances Ruzzo :
 For a Compromise of Taxes :
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A verified petition having been duly presented by VICTOR RUZZO and FRANCES RUZZO, residing at 295 Albany Avenue, Kingston, New York pursuant to Section 171, subdivision 15 of the Tax Law praying for a compromise of their liability for personal income taxes for the year 1945 and for the years 1949 through 1954, inclusive; and

IT APPEARING from the proof submitted that the said VICTOR RUZZO and FRANCES RUZZO are indebted to the State Tax Commission for personal income taxes imposed by Article 16-16A of the Tax Law for the year 1945 in the amount of \$1,677.27 and that warrant S305 was filed in the Clerk's Office of Ulster County therefor on March 21, 1956 which together with penalty and interest totaled \$7,413.45, the total amount of which remains due and unpaid; and

IT FURTHER APPEARING that the said VICTOR RUZZO is indebted to the State Tax Commission for personal income taxes imposed by Article 16-16A of the Tax Law for the years 1949, 1950, 1951, 1952, 1953 and 1954 in the amount of \$45,632.18 and that warrant S302 was filed in the Clerk's Office of Ulster County therefor on March 21, 1956 which, together with penalty and interest, totaled \$152,278.85, the total amount of which remains due and unpaid; and

IT FURTHER APPEARING that the said VICTOR RUZZO and FRANCES RUZZO are insolvent and the sum of \$1,000.00 offered in compromise

is not less than can be recovered through legal proceedings;

IT IS HEREBY ORDERED that pursuant to the authority conferred on the State Tax Commission in and by Section 171, subdivision 15 of the Tax Law, the said tax liability and indebtedness of VICTOR RUZZO and FRANCES RUZZO resulting from the aforementioned warrants for the year 1945 and the years 1949 through 1954 inclusive be, and the same are hereby compromised for the sum of \$1,000.00; and

IT IS FURTHER ORDERED that the aforesaid \$1,000.00 shall be paid to the State Tax Commission within ninety days after receipt of the notice of the issuance of this Order, and that upon said payment the said VICTOR RUZZO and FRANCES RUZZO, the petitioners herein, will thereby be discharged and released by the State Tax Commission from liability for unpaid personal income taxes due under Article 16 of the Tax Law for the years 1945, 1949, 1950, 1951, 1952, 1953 and 1954 and from all interest and penalties thereon, and that a properly and duly executed release of any liability for the said taxes be issued to the said VICTOR RUZZO and FRANCES RUZZO and that a properly and duly executed satisfaction of the warrants docketed and recorded by the State Tax Commission in the office of the Clerk of Ulster County be issued in full satisfaction thereof; and

IT IS FURTHER ORDERED that in the event of the failure of the petitioners herein to pay or cause to be paid the amount offered in compromise of the tax liability of the petitioners within the time herein prescribed then this order shall be null and void and the amount of tax liability and indebtedness of the said VICTOR RUZZO and FRANCES RUZZO for personal income taxes for the years 1945, 1949, 1950, 1951, 1952, 1953 and 1954 shall be the amount

hereinbefore assessed and imposed together with the penalties and interest thereon.

DATED:

STATE TAX COMMISSION

Joseph D. ...

Commissioner

Robert Manley

Commissioner

Commissioner

DATED: 9/16/68

APPROVED:

Justice of the Supreme Court