

BUREAU OF LAW
MEMORANDUM

Income Tax Determination
A-2
Cohen, Bernard

TO: Commissioners Gallman, Manley and Koerner
FROM: E. H. Best, Counsel
SUBJECT: Bernard Cohen a/k/a Bernie Cohen
2000 Linwood Avenue
Fort Lee, New Jersey

WAIVER OF PENALTY IN EXCESS OF 5% AND OF INTEREST
IN EXCESS OF 3% IMPOSED UNDER ARTICLE 16 and 16-A
OF THE TAX LAW

The above-named tax debtor owes \$3,604.67 unpaid taxes for the years 1949 through 1952. In addition, the imposition of the statutory 100% penalty (\$3,604.67), and interest of \$11,218.07 computed to July 15, 1969 increased the total amount owed to \$18,427.41.

This matter has been placed before me pursuant to the provisions of E-Memo 94.1 for my review and recommendation.

The file indicates these sums representing unpaid taxes, penalty and interest which were assessed by the Special Investigations Bureau (SIB-13176 through 13179) were jointly warranted (#LN-53946 NY-695151).

Tax debtor has made an offer to pay the basic taxes owed plus 5% penalty and approximately 3% interest provided payment of the remaining 95% penalty and the remaining interest owed, which together total \$16,388.64, be waived. This offer has been approved by the Director, Special Investigations Bureau.

The file indicates that the tax debtor has compromised his Federal tax liabilities for the years 1950, 1951, 1952, 1962 and 1963. Pursuant to the terms of the Federal compromise he undertakes to pay \$7,100.00 plus a sliding percentage of his annual income varying with his earnings over and above the first \$7,500.00 for the years 1967 to 1976.

The tax debtor is now 70 years of age, suffers from diabetes, progressively poor eyesight in the right eye, Paget's Disease, has no cash funds and proposes to borrow money in order to clear up the tax liability owed to the State of New York.

It is indicated that the tax debtor is an employee of Flamingo Resort, Inc. of Nevada which has an office in New York City. Although his gross income for 1968 was \$30,000.00, his continued employment depends upon the state of his health and upon his capacity to maintain a work performance level commensurate with such a salary. It is stated that failure to maintain the necessary level of achievement would have an adverse effect on his earnings.

Annexed hereto is a letter of counsel for the tax debtor, making the offer to complete payment of the entire tax of \$3,604.67, penalty of \$180.23 and interest at 3% which would amount to approximately \$1,800.00.

It is recommended that the offer be accepted and the amount of penalty and interest totaling \$16,388.64 as computed to July 15, 1969 be waived.

If the Commission approves this recommendation, it is requested that the Commission indicate waiver of penalty and interest in the margin.

The file is submitted herewith.

E. H. Best
Counsel

IA:sc

Enc.

September 17, 1969

*Approved as to waiver of penalty interest
Milton Berman Commission 9/25/69*

*Approved
AB Mauley
9/29/69*

*Approved
Norman Gallman
10/3/69*