

Teague Personal

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of
Walter D. Jr., & Harriette B. Teague
For a Redetermination of a Deficiency or
a Refund of Personal Income
Taxes under Article(s) 22 of the
Tax Law for the (Year(s) 1961

AFFIDAVIT OF MAILING
OF NOTICE OF DECISION
BY (CERTIFIED) MAIL

State of New York
County of Albany

Martha Funaro, being duly sworn, deposes and says that she is an employee of the Department of Taxation and Finance, over 18 years of age, and that on the 11th day of January, 1971, she served the within Notice of Decision (or Determination) by (certified) mail upon Walter D. Jr.,

& Harriette B. Teague (representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Walter D. Jr., & Harriette B. Teague
Tweed Blvd.
Nyack, New York 10960

and by depositing same enclosed in a postpaid properly addressed wrapper in a (post office or official depository) under the exclusive care and custody of the United States Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative of) petitioner herein and that the address set forth on said wrapper is the last known address of the (representative of the) petitioner.

Sworn to before me this

11th day of January, 1971

Linda Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of
Walter D. Jr., & Harriette :
B. Teague :

For a Redetermination of a Deficiency or :
a Refund of Personal Income :
Taxes under Article(s) 22 of the :
Tax Law for the (Year(s) 1961 :

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R.D. Hunter & Company
E. 122 Ridgewood Avenue
Paramus, New Jersey
and by depositing same enclosed in a postpaid properly addressed wrapper in a (post office or official depository) under the exclusive care and custody of the United States Post Office Department within the State of New York.

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Sworn to before me this

11th day of January , 1971.

Linda Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition :
of :
WALTER D. JR., & HARRIETTE B. TEAGUE : DECISION
for a Redetermination of a Deficiency :
or for Refund of Personal Income Taxes :
under Article 22 of the Tax Law for :
the year 1961 :

Taxpayer filed a petition pursuant to Section 689 of the Tax Law for a redetermination of a deficiency or refund of personal income taxes under Article 22 of the Tax Law. A formal hearing was held at the offices of the State Tax Commission in the City of New York on December 11, 1969, at 10:15 a.m., before Francis X. Boylan, Hearing Officer. Taxpayer appeared and was represented by Douglas P. Burns, CPA.

FINDINGS OF FACT

1. The issue involved is the amount of property occupied by the taxpayer outside of New York State for purposes of computing the percentage of the total business income under the three-factor allocation formula with respect to taxpayer's distributive share from the partnership, Walter Teague Associates.

2. On November 22, 1965, a notice of deficiency, file numbered 2-6712463, was issued in the amount of \$871.01 for 1961 and \$728.63 for 1962.

3. Walter Dorwin Teague Associates, an industrial engineering firm, with offices at 415 Madison Avenue, New York City, occupied approximately fifteen offices in states other than New York during 1961 and 1962. For only two of these offices -- in Seattle, Washington, and Puerto Rico -- was rent paid on a normal monthly rental basis during 1961. In 1962 rent was paid for three offices on a monthly rental basis. The notice of deficiency based on the

three-factor formula computed the allocation percentage using only the three above locations in determining the out-of-state property value occupied by Associates.

4. In addition to the properties for which Associates paid rent directly in 1961 and in 1962, Associates paid rent indirectly for eleven other locations in 1961 and twelve other locations in 1962.

All the areas involved were occupied exclusively by Associates' personnel. In most cases the name Walter Dorwin Teague Associates appeared on the entrance to the space.

5. The Navy and Boeing Airplane Company contracts reflect payment for space used exclusively by Associates as a percentage of the fees paid, although not directly.

DECISION

A. The additional assessment based on the three-part formula should be reduced to take into account all property occupied by Associates during 1961 and 1962 for which rents have been paid directly or indirectly.

B. The 1961 additional assessment based on the three-part formula taking into account all property occupied by Associates during the year is recomputed as follows:

Total Income	\$ 67,793.12
Taxable Income 62.7%	42,510.00
Additional Tax Due	<u>386.80</u>

C. The 1962 additional assessment based on the three-part formula taking into account all property occupied by Associates during the year is recomputed as follows:

Total Income	\$ 63,697.13
Taxable Income 63%	40,150.00
Additional Tax Due	<u>320.00</u>

DATED: Albany, New York

December 31, 1970

STATE TAX COMMISSION

Norman Gallman

COMMISSIONER

COMMISSIONER

Mittie Korman

COMMISSIONER