

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of
JULIUS GLOVER & MINNIE GLOVER :

For a Redetermination of a Deficiency or
a Refund of Personal Income :
Taxes under Article(s) 16 of the
Tax Law for the (Year(s) 1959 :

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 17th day of March , 1972, she served the within Notice of Decision (or Determination) by (certified) mail upon Julius Glover & Minnie Glover (representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Julius & Minnie Glover
737 Park Avenue
New York, New York

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

17th day of March , 19 72

Rae Zimmerman

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

JULIUS GLOVER & MINNIE GLOVER :

For a Redetermination of a Deficiency or
a Refund of Personal Income :
Taxes under Article(s) 16 of the :
Tax Law for the (Year(s) 1959 :

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 17th day of March , 1972 , she served the within
Notice of Decision (or Determination) by (certified) mail upon Sherman Heller

(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid
wrapper addressed as follows: Sherman Heller
113 West 42nd Street
New York, New York

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

17th day of March , 1972

Ral Zimmerman

Martha Funaro



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

BUILDING 9, ROOM 214A

STATE CAMPUS
ALBANY, N. Y. 12226

AREA CODE 518
457-2655, 6, 7

STATE TAX COMMISSION

NORMAN F. GALLMAN, ~~ACTING~~ PRESIDENT
A. BRUCE MANLEY
MILTON KOERNER

STATE TAX COMMISSION
HEARING UNIT

EDWARD ROOK
SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

Dated: Albany, New York

March 17, 1972

Julius & Minnie Glover
737 Park Avenue
New York, New York

Dear Sir & Madam:

Please take notice of the JOINT DETERMINATION of
the State Tax Commission enclosed herewith.

Please take further notice that pursuant to section 375
the Tax Law any proceeding in court to review an adverse decision
must be commenced within 90 Days after
the date of this notice.

Any inquiries concerning the computation of tax due or refund allowed
in accordance with this decision or concerning any other matter relat-
ing hereto may be addressed to the undersigned. These will be referred
to the proper party for reply.

Very truly yours,

Nigel G. Wright
HEARING OFFICER

cc Petitioner's Representative
Law Bureau

In the Matter of the Application :
of :
JULIUS GLOVER & MINNIE GLOVER : JOINT DETERMINATION
for revision or refund of Personal Income :
Tax under Article 16 of the Tax Law for :
the Year 1959. :

The State Tax Commission hereby

1. The issue herein is the amount received by shareholders for capital gain purposes upon the liquidation of a corporation. The taxpayers received a building from the corporation and computed their amount received as the book value of the building plus the surplus of the corporation. The assessment is based upon a valuation of the building at its assessed value for real property tax purposes.

3. Taxpayers were each 50% shareholders in 500 Ocean Avenue, Holding Corporation until February 28, 1959 when it was liquidated.

4. The corporation owned an apartment house with 63 apartments and two elevators. It is 40 years old and is under rent control. The gross rental is about \$67,000.00 a year. The assessed valuation was \$375,000.00.

5. The basis of the stock is the book value of the building to the corporation - \$262,504.79.

6. The property was valued on the books of the taxpayers', after liquidation, at \$271,268.00. This represented a cost of the building of \$261,075.86 less depreciation of \$79,050.13 and a cost for the land of \$89,242.29.

7. An appraisal of the building in 1953 indicated a value of \$325,000.00 based on the availability of a 75% to 80% mortgage. In 1959, the mortgage was increased to \$250,000.00 which taxpayer assets would be based on 80% of value and would thus indicate a maximum value of \$312,000.00.

8. The corporation had paid a franchise tax as a real estate corporation under section 182 of the Tax Law based on a full value of the property of \$375,000.00 less a book value of \$262,504.79 and a surplus of \$82,276.85.

Upon the foregoing findings and all the evidence in the case
The State Tax Commission,

DETERMINES:

A. The taxpayers have not carried the burden of proof that the amount received upon the liquidation of the corporation should be based on a valuation of the building at book value instead of assessed value.

B. The applications are denied and the assessments are affirmed together with such additional changes as are due pursuant to the Tax Law.

DATED: Albany, New York
March 17, 1972

STATE TAX COMMISSION

Norman Galtman
COMMISSIONER

Bruce M. Muley
COMMISSIONER

Walter Koenig
COMMISSIONER