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STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

MAX M. & MARJORIE B. KAMPELMAN

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) 1967

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

State of New York
County of Albany

Lynn Wilson, 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 16th day of May, 1972, she served the within Notice of Decision (or Determination) by (certified) mail upon MAX M. & MARJORIE B. KAMPELMAN (representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Max M. & Marjorie B. Kampelman
3154 Highland Place, N.W.
Washington, D.C. 20008
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

16th day of May, 1972.

James H. Lunn

Lynn Wilson

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

MAX M. & MARJORIE B. KAMPELMAN

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) 1967

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

State of New York
County of Albany

Lynn Wilson, 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 16th day of May, 1972, she served the within Notice of Decision (or Determination) by (certified) mail upon HERMAN S. KESSLER (representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Mr. Herman S. Kessler
540 Investment Bldg.
Washington, D.C. 20005
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

16th day of May, 1972.

Maitha Duran

Lynn Wilson



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
May 16, 1972

Max M. & Marjorie B. Kampelman
3154 Highland Place, N.W.
Washington, D.C. 20008

Dear Sir and Madam:

Please take notice of the **DECISION**
of the State Tax Commission enclosed herewith.

Please take further notice that pursuant to
Section(s) **690** of the Tax Law, any
proceeding in court to review an adverse deci-
sion must be commenced within **4 months**
from 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 relative
hereto may be addressed to the undersigned.
These will be referred to the proper party for
reply.

Very truly yours,

L. Robert Leisner

HEARING OFFICER

Enc.

cc: Petitioner's Representative
Law Bureau

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition	:	
of	:	
MAX M. AND MARJORIE B. KAMPELMAN,	:	DECISION
(his wife)	:	
for a Redetermination of a Deficiency or	:	
for Refund of Personal Income Taxes under	:	
Article 22 of the Tax Law for the Year	:	
1967.	:	

Taxpayers petitioned for a redetermination of deficiencies in personal income taxes under Article 22 of the Tax Law for the year 1967.

The case was submitted for decision by stipulation. Taxpayer was represented by Herman S. Kessler, C.P.A., of Washington, D.C.

ISSUES

- I. Was the Income Tax Bureau's allocation of partnership income to New York and Washington, D.C. incorrect?
- II. Should the penalty be sustained?

FINDINGS OF FACT

1. Petitioners timely filed a New York State nonresident income tax return for the year 1967.
2. A Notice of Determination of a deficiency in personal income tax and penalty for the year 1967 was issued on March 15, 1971, against the taxpayers under File No. 7-34088384.
3. The taxpayer petitioned for redetermination of the deficiency which was based on an allocation of law partnership income to New York and Washington, D.C.
4. The taxpayers alleged that in addition to the regular partnership expense, they also deducted from their federal return expenses in furtherance of the law partnership's business which should modify the allocation ratio determined by the Income Tax Bureau.

5. The claimed deductions for alleged additional partnership expense, apparently were not claimed from, or allowed, or paid by the law partnership.

6. The contention that these deductions were in furtherance of partnership business is not supported by evidence.

7. The taxpayers acted in good faith with respect to their contentions.

CONCLUSIONS OF LAW

A. The petitioners have not proved that the Income Tax Bureau's allocation of partnership income to New York and Washington, D.C. was incorrect or that it should be changed. No penalty should be imposed.

B. The determination of the deficiency in tax is sustained. The penalty is not sustained.

C. Pursuant to the Tax Law, interest shall be added to the total amount due until paid.

DATED: Albany, New York
May 16, 1972,

STATE TAX COMMISSION

COMMISSIONER

Bruce Marley

COMMISSIONER

Milton Korman

COMMISSIONER