

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

SAM NOVICK

For a Redetermination of a Deficiency or
a Refund of Personal Income
Taxes under Article(s) ¹⁶
Tax Law for the (Year(s)) 1943, 1944 ^{of the} & 1945

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

State of New York
County of Albany

Rae Zimmerman, 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 2nd day of March, 1972, she served the within Notice of Decision (or Determination) by (certified) mail upon Sam Novick

(representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid

wrapper addressed as follows: Sam Novick
c/o Abrams, Meresman & Company
545 Madison Avenue
New York, N.Y. Attention: Mr. Meresman
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
2nd day of March, 1972

Noted Funnis

Rae Zimmerman

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

SAM NOVICK

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) 1943, 1944 & 1945

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 22nd day of February, 1972, she served the within Notice of Decision (or Determination) by (certified) mail upon Sam Novick (representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Sam Novick
63-12 Boelson Crescent
Forest Hills, 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

22nd day of February, 1972.

Linda Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of
SAM NOVICK

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

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) 1943, 1944 & 1945

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 22nd day of February , 1972 , she served the within Notice of Decision (or Determination) by (certified) mail upon Emanuel W. Staff (representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Emanuel W. Staff
c/o Abrams, Meresman & Company
545 Madison 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

22nd day of February , 1972.

Linda Wilson

Martha Funaro



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

STATE TAX COMMISSION

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

BUILDING 9, ROOM 214A

STATE CAMPUS
ALBANY, N. Y. 12227

AREA CODE 518
457-2655, 6, 7

STATE TAX COMMISSION
HEARING UNIT

EDWARD ROOK
SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

Dated: Albany, New York

February 22, 1972

**Sam Novick
63-12 Boelson Crescent
Forest Hills, New York**

Dear Sir:

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

Please take further notice that pursuant to section(s)
375 of 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 relating hereto may be
addressed to the undersigned. These will be referred
to the proper party for reply.

Very truly yours,

Lawrence A. Newman
Hearing Officer

cc Petitioner's Representative
Law Bureau

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Application :
of :
SAM NOVICK : DETERMINATION
for Revision or Refund of Personal Income :
Taxes under Article 16 of the Tax Law for :
the Years 1943, 1944 and 1945. :

Sam Novick filed an application for revision of personal income taxes under Article 16 of the Tax Law for the years 1943, 1944 and 1945. A formal hearing was held at the offices of the State Tax Commission in the City of New York on November 29, 1967. The taxpayer was represented by Abrams, Meresman and Company, C.P.A.'s, (by Harry Meresman).

FINDINGS OF FACT

1. Taxpayer filed New York State Income Tax Resident Returns for the years 1943, 1944 and 1945.
2. On March 16, 1964, the Department of Taxation and Finance issued assessment No.'s SIB 12697, SIB 12698 and SIB 12699 for the years 1943, 1944 and 1945, totaling \$20,275.46.

The assessments were based on an audit by the Federal Internal Revenue Service of the Chesterfield Textile Corporation.
3. Sam Novick was an officer and stockholder of the Chesterfield Textile Corporation. Taxpayer diverted cash receipts from the corporation which were kept by the taxpayer.
4. On February 27, 1950, taxpayer was indicted by the Federal Internal Revenue Service for income tax evasion, was convicted, fined \$5,000.00 and received a one-year suspended sentence. The Federal Government asserted a 50% fraud penalty for all the years involved.
5. The Federal changes in net income per audit show additional income of \$82,697.08 consisting of constructive dividends received from the Chesterfield Textile Corporation.

6. The Special Investigation Bureau, on audit, added to taxpayer's income, available dividends (without deductions against surplus for accrued taxes against the Chesterfield Corporation). The Federal allowed these accrued taxes as a deduction against income.

DETERMINATION

A. The assessments are reduced to conform to computations of state tax based on Federal changes in net income as follows:

(1) Total additional income for the year 1943 equals \$13,549.99, resulting in additional normal tax due of \$702.83. (2) The total additional income for 1944 equals \$251.70, resulting in additional normal tax due of \$13.21. (3) Total capital gains for 1945 equals \$46,323.32, resulting in additional capital gains tax due of \$780.66.

B. Fraud penalty under section 376 of Article 16 of the Tax Law, assessed at 100% plus 12% interest on the doubled amount, is lawful and proper, and is hereby assessed on the reduced amounts of normal and capital gains taxes.

C. The assessments are sustained, as reduced.

DATED: Albany, New York

February 29, 1974

STATE TAX COMMISSION

William J. Galligan
COMMISSIONER

Bruce Hawley
COMMISSIONER

Milton Kremen
COMMISSIONER

May 24, 1972

Abrams, Meresman & Co.
545 Madison Avenue
New York, New York 10022

Attention: Mr. Harry Meresman

Re: Alex Milgrom, Deceased 6/30/62
Sam Novick, Deceased 6/28/68
For the Years 1943-1944-1945

Gentlemen:

This is to acknowledge receipt of your letter of May 16, 1972.

Please be advised that the decision of the State Tax Commission in the above entitled matter dated February 22, 1972, was issued only after due and deliberate consideration and review by the State Tax Commission of the transcript, exhibits and applicable law.

We do not deem this an appropriate case for additional administrative review. A proceeding in the Supreme Court of the State of New York to review the decision must be commenced within four months of the date of the decision.

Sincerely,

NORMAN GALLMAN
Commissioner

BG/NGW/lw

AD 82 (8-71) 50M

STATE OF NEW YORK
Department of Taxation and Finance

STATE CAMPUS
ALBANY, N. Y. 12227



*1757
3/26/72*

~~Sam Novick
63-12 Boelson Crescent
Forest Hills, New York~~

Jacob David

*Albany Telephone + Co
753-4618 545 Madison
ave
Perin Messinger 3/2/72
send her records
determine to him
(urgency + staff are
decid.)
6-10 KJ*