

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

FREDERICK STAFFORD & HAZEL STAFFORD

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) 22 of the
Tax Law for the (Year(s) 1962, 1963 & 1964

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 9th day of May , 1972, she served the within
Notice of Decision (or Determination) by (certified) mail upon Frederick & Hazel
Stafford (representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid
wrapper addressed as follows: Frederick & Hazel Stafford
80 Boulevard Maurice Barres
Neuilly-sur-Seine, France

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

9th day of May , 1972.

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of
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Tax Law for the (Year(s) 1962, 1963 & 1964

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 9th day of May , 1972, she served the within
Notice of Decision (or Determination) by (certified) mail upon John Trubin, Esq.

(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid
wrapper addressed as follows: John Trubin, Esq.
Javits, Trubin, Sillcocks & Edelman
375 Park Avenue
New York, New York 10022

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
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Sworn to before me this

9th day of May , 1972

Lynn 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

May 9, 1972

**Frederick & Hazel Stafford
80 Boulevard Maurice Barres
Neuilly-sur-Seine, France**

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 decision must be commenced
within **4 Months** 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,


Paul B. Coburn
Hearing Officer

cc Petitioner's Representative
Law Bureau

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :

of :

FREDERICK STAFFORD AND HAZEL STAFFORD : DECISION

for Redetermination of Deficiency or for :
Refund of Personal Income Tax under
Article 22 of the Tax Law for the Years :
1962, 1963 and 1964.

Petitioners, Frederick Stafford and Hazel Stafford, have filed a petition for redetermination of deficiency or for refund of personal income tax under Article 22 of the Tax Law for the years 1962, 1963 and 1964. (File Nos. 3-7169350 and 29097208). A formal hearing was held before Paul B. Coburn, Hearing Officer, at the offices of the State Tax Commission, 80 Centre Street, New York, New York, on May 19, 1971, at 9:15 A.M. Petitioners appeared by Javits, Trubin, Sillcocks & Edelman, Esqs. (John Trubin, Esq. and Joshua Smith, Esq., of Counsel). The Income Tax Bureau appeared by Edward H. Best, Esq., of Counsel).

ISSUE

Were petitioners, Frederick Stafford and Hazel Stafford, resident individuals of New York State during the years 1962, 1963 and 1964?

FINDINGS OF FACT

1. Petitioners, Frederick Stafford and Hazel Stafford, filed New York State income tax resident returns for the years 1962 and 1963, and a New York State income tax nonresident return for the year 1964.

2. On April 9, 1965, petitioners, Frederick Stafford and Hazel Stafford, filed a claim for credit or refund of personal income tax for the year 1962 in the sum of \$2,441.59, said sum being the amount paid by them at the time of the filing of their 1962 New York State income tax resident return.

3. On April 9, 1965, petitioners, Frederick Stafford and Hazel Stafford, filed a claim for credit or refund of personal income tax for the year 1963 in the sum of \$3,863.22, said sum being the amount paid by them at the time of the filing of their 1963 New York State income resident return.

4. On March 21, 1966, the applications of petitioners, Frederick Stafford and Hazel Stafford, for credit or refund of personal income tax for the years 1962 and 1963 were denied.

5. On March 28, 1966, the Income Tax Bureau issued a Statement of Audit Changes against petitioners, Frederick Stafford and Hazel Stafford, imposing New York State personal income tax upon their total income as reported on their federal income tax return for the year 1964, and accordingly issued a Notice of Deficiency in the sum of \$18,331.72.

6. Petitioner, Frederick Stafford, was born in Romania in 1905. He received his undergraduate education in Romania. He then attended the University of Paris and the law school at the Sorbonne. He emigrated to the United States in 1940. He became a United States citizen in 1946.

7. Petitioner, Frederick Stafford, married petitioner, Hazel Stafford, in 1952. They were married in Paris. They had two children. They resided at 521 Park Avenue in New York City during the years

1960 and 1961. Their children attended the Lycee Francais, a French speaking school located in New York City.

8. Petitioners, Frederick Stafford and Hazel Stafford, and their children moved to Paris, France, in the summer of 1961. They lived in a hotel while they looked for a home to buy. They were unable to find the type of home they wanted so they rented an apartment for a seven-year term. They moved into the apartment in September, 1961. They shipped all of their clothing and personal effects, their works of art and their automobile from New York City to France. They joined the American Cathedral of Paris and several business and social clubs in Paris. They enrolled the children in a French public school. In 1965 they purchased an apartment in Paris for \$400,000.00. They did not occupy it until 1967. In the intervening years they spent \$300,000.00 renovating the apartment. He paid French income and social security taxes during the years 1962, 1963 and 1964.

9. Petitioner, Frederick Stafford, commencing in November, 1961, sublet his 10 room New York City apartment for the balance of the five year term of the lease at an annual rental ranging from \$18,000.00 to \$19,200.00 per annum. The apartment was rented furnished. He gave the furnishings in the apartment to his in-laws upon the termination of the lease. He was paying a rental of \$9,000.00 per annum for the unfurnished apartment. The building was owned by a corporation of which he was president and in which he owned 75% of the stock. During the years 1962, 1963 and 1964, he maintained a one bedroom apartment at 521 Park Avenue which he occupied on his visits to the United States.

10. As of October 31, 1961, petitioner, Frederick Stafford's investments outside of the United States totaled \$2,799,232.40. These investments were primarily in private companies. A number of these investments required his personal presence in the country of operation during the years 1962, 1963 and 1964. He also had substantial investments inside the United States, including the ownership of stock in public companies, investments in real estate in New Orleans, Louisiana, and 75% of the stock in the corporation owning 521 Park Avenue in New York City. He maintained these investments during the years 1962, 1963 and 1964. He owned a seat on the New York Stock Exchange. Shortly after moving to Paris he sublet his office located at 745 Fifth Avenue in New York City. He maintained an office in the basement of 521 Park Avenue during the years 1962, 1963 and 1964. He employed a secretary in the office to handle his clerical work, particularly those transactions involving trading on the New York Stock Exchange. He maintained bank accounts in New York and in France during said years.

11. Petitioners, Frederick Stafford and Hazel Stafford, did not vote in the United States after 1960.

12. Petitioner, Frederick Stafford, signed a will in New York State using a New York State address in 1960. Thereafter he signed a codicil using an address in France.

13. Petitioner, Frederick Stafford, spent 34 days in the United States during the year 1962, 46 days during the year 1963, and 14 days during the year 1964. He spent less than 30 days in each of said years in New York State.

CONCLUSIONS OF LAW

A. That during the years 1962 and 1963 petitioners, Frederick Stafford and Hazel Stafford, were domiciled in New York State and maintained a permanent place of abode in New York State and therefore they were resident individuals in accordance with the meaning and intent of section 605(a)(1) of the Tax Law.

B. That during the year 1964 petitioners, Frederick Stafford and Hazel Stafford, were not domiciled in New York State and did not spend more than 183 days of said year in New York State although they maintained a permanent place of abode in New York State and therefore they were nonresident individuals during said year in accordance with the meaning and intent of sections 605(a)(2) and 605(b) of the Tax Law.

C. That the petition of Frederick Stafford and Hazel Stafford is granted to the extent of canceling the Notice of Deficiency for the year 1964 issued March 28, 1968, and, except as so granted, the petition is in all other respects denied.

DATED: Albany, New York
May 9, 1972

STATE TAX COMMISSION

COMMISSIONER

James M. Neuley

COMMISSIONER

Milton Korman

COMMISSIONER



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

STATE TAX COMMISSION

NORMAN F. GALLMAN, PRESIDENT
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HEARING UNIT

EDWARD ROOK
SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

Dated: Albany, New York

May 9, 1972

Frederick & Hazel Stafford
80 Boulevard Maurice Barres
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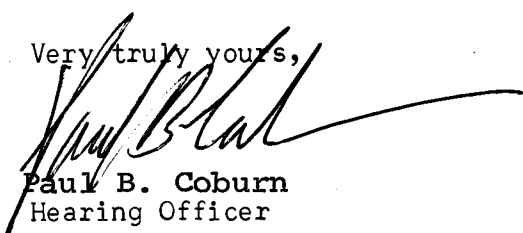
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Very truly yours,


Paul B. Coburn
Hearing Officer

cc Petitioner's Representative
Law Bureau

STATE OF NEW YORK
Department of Taxation and Finance
STATE CAMPUS
ALBANY, N. Y. 12227

VIA AIR MAIL

VIA AIR MAIL

Frederick & Hazel Stafford
80 Boulevard Maurice Barres
Neuilly-sur-Seine, France

LE MINISTRE
A L'ENVOYEUR

LE MINISTRE A L'ADRESSE INDIQUEE
C.O. : 17

127
Frederick & Hazel Stafford

STATE OF NEW YORK

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DATED: Albany, New York
May 9, 1972

STATE TAX COMMISSION

COMMISSIONER

Bruce Marley

COMMISSIONER

Matthew Koen

COMMISSIONER