

STATE OF NEW YORK  
STATE TAX COMMISSION

In the Matter of the Petition

of

VICTOR SHERMAN and GLENDA SHERMAN

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 (x) 22 of the  
Tax Law for the Year (x) 1970.

State of New York  
County of Albany

Janet Mack, 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 29th day of March, 1976, she served the within Notice of Decision (~~of Determination~~) by (certified) mail upon Victor Sherman and Glenda Sherman (~~representative of~~) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Mr. & Mrs. Victor Sherman  
8 Wooley Avenue  
Great Neck, 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~~) petitioner.

Sworn to before me this

29th day of March, 1976.



STATE OF NEW YORK  
STATE TAX COMMISSION

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of

VICTOR SHERMAN and GLENDA SHERMAN

For a Redetermination of a Deficiency or  
a Refund of **Personal Income**  
Taxes under Article ~~(x)~~ 22 of the  
Tax Law for the Year ~~(x)~~ 1970

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OF NOTICE OF DECISION  
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State of New York  
County of Albany

Janet Mack, 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 29th day of March, 1976, she served the within  
Notice of Decision ~~for the year 1970~~ by (certified) mail upon Sidney I. Bruckman, CPA

(representative of) the petitioner in the within  
proceeding, by enclosing a true copy thereof in a securely sealed postpaid  
wrapper addressed as follows: Sidney I. Bruckman, CPA  
445 Northern Boulevard  
Great Neck, New York 11021

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

29th day of March, 1976



STATE OF NEW YORK  
DEPARTMENT OF TAXATION AND FINANCE

BUILDING 9, ROOM 107  
STATE CAMPUS  
ALBANY, N.Y. 12227

AREA CODE 518

STATE TAX COMMISSION  
HEARING UNIT

PAUL GREENBERG  
SECRETARY TO  
COMMISSION

STATE TAX COMMISSION

ADDRESS YOUR REPLY TO

MR. WRIGHT  
MR. COBURN  
MR. LEISNER

(518) 457-3850

**DATED:** Albany, New York  
**March 29, 1976**

**Mr. & Mrs. Victor Sherman**  
**8 Wooley Avenue**  
**Great Neck, New York**

**Dear Mr. & Mrs. Sherman:**

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

Please take further notice that pursuant to  
Section (a) **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,

  
**Paul E. Coburn**  
**Supervising Tax**  
**HEARING OFFICER**

Enc.

cc: Petitioner's Representative  
Law Bureau

STATE OF NEW YORK

STATE TAX COMMISSION

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In the Matter of the Petition :

of :

VICTOR SHERMAN and GLENDA SHERMAN : DECISION

for a Redetermination of a Deficiency :  
or for Refund of Personal Income Tax :  
under Article 22 of the Tax Law for :  
the Year 1970. :

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Petitioners, Victor Sherman and Glenda Sherman, 8 Wooley Avenue, Great Neck, New York, petitioned for a redetermination of deficiencies in personal income tax under Article 22 of the Tax Law for the year 1970. (File No. 0-54619831).

The case was submitted for decision on information contained in the file.

#### ISSUE

Whether a payment made by petitioner, Victor Sherman, was deductible as interest on petitioners' 1970 New York State income tax return.

#### FINDINGS OF FACT

1. Petitioner, Victor Sherman and Glenda Sherman, timely filed a New York State income tax return for the year 1970.

2. A Notice of Determination of deficiencies in personal income tax for the year 1970 was issued on February 24, 1975, against the taxpayers under File No. 0-54619831. Taxpayer had executed a consent to the extension of time for assessment.

3. The taxpayers petitioned for a redetermination of the deficiencies.

4. Petitioner, Victor Sherman, was a director of Richrock Corporation. He was also an officer of Woodale Development Corporation, a small business corporation with six stockholders.

5. Woodale Development Corporation entered into an option contract with Richrock Corporation. In consideration for an option to purchase property owned by Richrock Corporation, Woodale agreed to pay the interest of a mortgage on the property as well as other taxes and carrying charges. According to the contract the officers of Woodale Development Corporation accepted personal liability for the interest payments.

6. On November 18, 1970, petitioner, Victor Sherman, paid \$4,418.25 pursuant to his duties as an officer of Woodale Development Corporation to satisfy the interest due on the mortgage.

#### CONCLUSIONS OF LAW

A. The payment made by petitioner, Victor Sherman, was an interest payment made on the indebtedness of the Woodale Development Corporation.

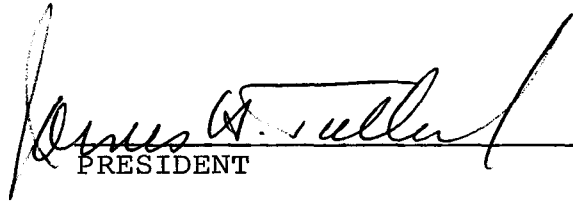
B. Interest payments made by a taxpayer on the obligations of another are not deductible as interest from taxpayer's income. (Chester A. Sheppard, 37 B.T.A. 279, Dec 9943).

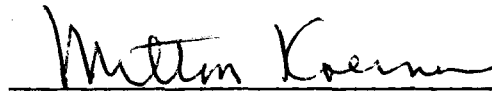
C. The Notice of Determination of deficiency dated February 24, 1975, is sustained and the petition is denied.

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

DATED: Albany, New York  
March 29, 1976

STATE TAX COMMISSION

  
PRESIDENT

  
COMMISSIONER

  
COMMISSIONER