

STATE OF NEW YORK  
STATE TAX COMMISSION

In the Matter of the Petition

of

ELI HADDAD (Deceased) and SOPHIE C. HADDAD  
SAM E. HADDAD, HIRAM HADDAD AND MOYSH HADDAD  
For a Redetermination of a Deficiency or  
a Revision of a Determination or a Refund  
of Personal Income  
Taxes under Article ~~(s)~~ 22 of the  
Tax Law for the Year ~~(s) or (s)~~  
1966

AFFIDAVIT OF MAILING

State of New York  
County of Albany

Marsina Donnini, 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 June, 1977, she served the within Notice of Decision by ~~(certified)~~ certified mail upon Nathan Wolpov, CPA

(representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Nathan Wolpov, CPA  
570 Fifth Avenue  
New York, New York 10018

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 Postal Service within the State of New York.

That deponent further says that the said addressee is the (representative of the) 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 June, 1977

Marsina Donnini

Jant Mack

STATE OF NEW YORK  
STATE TAX COMMISSION

In the Matter of the Petition

of  
ELI HADDAD (Deceased) and SOPHIE C. HADDAD  
SAM E. HADDAD, HIRAM HADDAD AND MOYSH HADDAD  
For a Redetermination of a Deficiency or :  
a Revision of a Determination or a Refund :  
of Personal Income :  
Taxes under Article ~~(e)~~ 22 of the :  
Tax Law for the Year ~~(S) or (P) or (L) or (S)~~ :  
1966

AFFIDAVIT OF MAILING

State of New York  
County of Albany

Marsina Donnini, 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 June, 1977, she served the within certified Notice of Decision by ~~(certified)~~ mail upon Eli Haddad (Deceased) Sophie C. Haddad, Sam E. Haddad, Hiram Haddad and Moysh Haddad ~~(representative of)~~ the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Eli (deceased) and Sophie Haddad Sam E. Haddad, Hiram Haddad and Moysh Haddad, as Co-executors 476 Avenue "T", Brooklyn, New York 11223 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 Postal Service within the State of New York.

That deponent further says that the said addressee is the ~~(representative of the)~~ 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 June, 1977

Marsina Donnini

Janet Mack



STATE OF NEW YORK  
DEPARTMENT OF TAXATION AND FINANCE

STATE TAX COMMISSION

TAX APPEALS BUREAU  
STATE CAMPUS  
ALBANY, N.Y. 12227  
June 17, 1977

ADDRESS YOUR REPLY TO

TELEPHONE: (518) **457-1723**

Eli (deceased) and Sophie Haddad  
Sam E. Haddad, Hiram Haddad and  
Moysh Haddad, as Co-executors  
476 Avenue "T"  
Brooklyn, New York 11223

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.

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. They  
will be referred to the proper party for reply.

Very truly yours,

  
**Paul B. Coburn**  
**Supervising Tax Hearing Officer**

Enc.

cc: Petitioner's Representative:

Taxing Bureau's Representative:

STATE OF NEW YORK

STATE TAX COMMISSION

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In the Matter of the Petition

of

ELI HADDAD (Deceased) and SOPHIE C. HADDAD  
SAM E. HADDAD, HIRAM HADDAD AND MOYSH  
HADDAD, Co-Executors

DECISION

for Redetermination of a Deficiency or for  
Refund of Personal Income Tax under  
Article 22 of the Tax Law for the Year 1966.

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Petitioners, Sophie C. Haddad, and Sam E., Hiram and Moysh Haddad, as Executors for the estate of Eli Haddad, filed a petition for redetermination of a deficiency or for refund of personal income tax under Article 22 of the Tax Law for the year 1966. (File No. 01130).

A formal hearing was held before Paul B. Coburn, Hearing Officer, at the offices of the State Tax Commission, Two World Trade Center, New York, New York, on November 8, 1976 at 10:45 A.M. Petitioners appeared by Nathan Wolpov, CPA. The Income Tax Bureau appeared by Peter Crotty, Esq. (Frank Levitt, Esq., of counsel).

ISSUE

Whether currency in the amount of \$6,250.00 discovered in certain safety deposit boxes maintained by the deceased and his widow, petitioner Sophie C. Haddad, together with the results of a field audit showing that the deceased and his wife had insufficient funds (\$11,050.86) for living expenses

in 1966, increased petitioners taxable income for the year 1966.

FINDINGS OF FACT

1. The deceased, Eli Haddad and his wife, Sophie C. Haddad, maintained safety deposit boxes at the Kings Highway Savings Bank and the Irving Trust Company. Following the death of Eli Haddad, the Irving Trust Company box was opened on September 9, 1966 and the Kings Highway Savings Bank box on July 5, 1967. The Irving Trust box contained \$950.00 in currency and the Kings Highway box \$5,300.00.

2. The Income Tax Bureau performed a cash-flow analysis for the years 1965 and 1966. For the latter year, the Bureau concluded that the deceased had additional cash requirements of \$11,050.86.

3. On August 25, 1967, the Income Tax Bureau issued a Statement of Audit Changes and a Notice of Deficiency in the sum of \$2,037.30 predicated upon the cash-flow analysis and the currency discovered in the two safety deposit boxes. (Additional sums of \$294.55 as unreported interest income and \$250.00 as unsubstantiated contributions are not in dispute.)

4. With respect to the currency discovered in the two safety deposit boxes, petitioner, Sophie C. Haddad, claimed that she received regular weekly allowances from the deceased, and that over a period of years sought to set aside relatively small sums of money for her four daughters and a grand-daughter. In fact, the currency in the Kings Highway Savings Bank box was found in five separate envelopes each bearing the name of a daughter or

granddaughter of the deceased, and containing certain pieces of jewelry as well. Moreover, it appears from the testimony of petitioner's representative, Mr. Wolpov, that the deceased's last will and testament bequeathed approximately 90% of his estate to his sons, and the relatively small remainder to his four daughters, and further that such testamentary bequest was entirely consistent with the customs and traditions of decedent's faith to exclude females from inheritance.

CONCLUSIONS OF LAW

A. That with respect to the \$11,050.86 required for the deceased's additional living expenses in 1966, a deficit not challenged by petitioner, no credible evidence has been offered to overcome the results of the Bureau's cash-flow analysis. The statements by petitioner's representative that the deceased handled large sums of cash, loaned and received cash in return, or that previous years' savings might have provided the requisite funds, were insufficient to sustain the petitioner's burden of proof that such monies were available to the deceased from a tax-paid source.

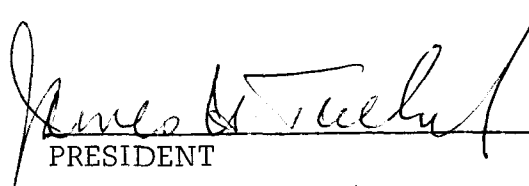
B. That with respect to the \$6,250.00 discovered in the safety deposit boxes, the totality of circumstances surrounding the earmarking of these relatively small amounts of money to petitioner's daughters and granddaughter, the large testamentary bequest to the sons of the deceased and the testimony concerning the customs and traditions of deceased's faith are all consistent with petitioner's claim that such funds were household monies given to her by the deceased and set aside by her for the provision of her daughters over

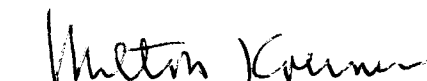
a period of some 40 years, rather than unreported income of the deceased.

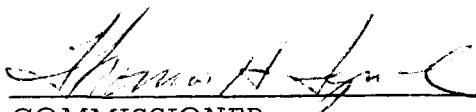
C. That the petition of Sophie C. Haddad, Sam E., Hiram and Moysh Haddad, as Executors of the estate of Eli Haddad, is granted to the extent that the deficiency calculated on the basis of \$6,250.00 discovered in the safety deposit boxes is erroneous and should be excluded from the computation of the liability; that the Income Tax Bureau is hereby directed to accordingly modify the Notice of Deficiency issued on August 25, 1969; and that except as so granted the petition is in all other respects denied.

DATED: Albany, New York  
June 17, 1977

STATE TAX COMMISSION

  
PRESIDENT

  
COMMISSIONER

  
COMMISSIONER