

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

RAYMOND G. and DOROTHY C. HAHN

AFFIDAVIT OF MAILING

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) ~~1971, 1972 and 1973~~ :
1971, 1972 and 1973

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 30th day of June, 1977, she served the within
Notice of Decision by (certified) mail upon Raymond G. and Dorothy C.
Hahn ~~(representative of)~~ the petitioner in the within proceeding,
by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed
as follows: Raymond G. & Dorothy C. Hahn
11-B Jules Drive
Albany, 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 Postal Service within the State of New York.

That deponent further says that the said addressee is the ~~(representative of the)~~
~~XXXXXX~~ 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

30th day of June, 19 77

Marsina Donnini

Janet Mack

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of
RAYMOND G. and DOROTHY C. HAHN

AFFIDAVIT OF MAILING

For a Redetermination of a Deficiency or :
a Revision of a Determination or a Refund :
of Personal Income :
Taxes under Article (X) 22 of the :
Tax Law for the Year(s) ~~XXXXXX~~ ~~XXXXXX~~ :
1971, 1972 and 1973

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 30th day of June, 19 77, she served the within Notice of Decision by (certified) mail upon James F. Seeley of Tate and Tate (representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: James F. Seeley of Tate and Tate
1698 Central Avenue
Albany, New York 12205
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

30th day of June, 19 77

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

ADDRESS YOUR REPLY TO

June 30, 1977

TELEPHONE: (518) 457-1723

Raymond G. & Dorothy C. Hahn
11-B Jules Drive
Albany, New York

Dear Mr. & Mrs. Hahn:

Please take notice of the Decision
of the State Tax Commission enclosed herewith.

Please take further notice that pursuant to
Section ~~57~~ 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,

FRANK J. PUCCIA
Supervisor of
Small Claims Hearings

Enc.

cc: Petitioner's Representative:

Taxing Bureau's Representative:

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of :
RAYMOND G. and DOROTHY C. HAHN : DECISION
for Redetermination of a Deficiency or :
for Refund of Personal Income Taxes under :
Article 22 of the Tax Law for the Years :
1971, 1972 and 1973. :

Petitioners, Raymond G. and Dorothy C. Hahn, residing at 11-B Jules Drive, Albany, New York 12205, have filed a petition for redetermination of a deficiency or for refund of personal income tax under Article 22 of the Tax Law for the years 1971, 1972 and 1973. (File No. 13212).

On January 24, 1977, they advised the State Tax Commission that they desired to waive a small claims hearing and to submit the case to the State Tax Commission upon the entire record contained in the file.

ISSUE

Was a loss sustained by petitioner, Raymond G. Hahn, which resulted from unpaid loans he made to a corporation owned by members of his family, properly deductible on his New York State personal income tax returns for the years 1971, 1972 and 1973?

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Petitioner, Raymond G. Hahn, made seven loans totalling \$10,737.42 to a corporation owned by his son, wife and mother. The loans were made over a period of five years.

2. Petitioner, Raymond G. Hahn, received promissory notes bearing interest for each loan. Each note was signed by the three members of his family and each signatory signed in his capacity as an officer of the corporation and stated his or her title.

3. The loans were entered in the corporation's books and records as loans from Raymond G. Hahn and appeared on the corporation balance sheet as notes payable.

4. The corporation was in poor financial condition and ceased operating August 31, 1968. All assets of the corporation were liquidated. Settlements were made with creditors with whom one of the corporate officers had assumed a personal liability and the settlement amounts were paid personally by a corporate officer. Petitioner, Raymond G. Hahn, was not repaid.

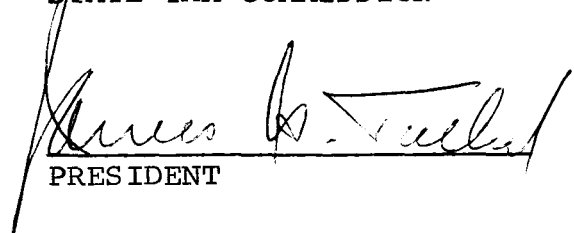
5. That the promissory notes were executed by the corporation and were not the personal liability of the officers of the corporation in accordance with section 3-403 of the New York Uniform Commercial Code.

6. That petitioner, Raymond G. Hahn, sustained a non-business bad debt and properly deducted said loss on his New York State personal income tax return for the years 1971, 1972 and 1973 in accordance with the meaning and intent of section 166 of the Internal Revenue Code.

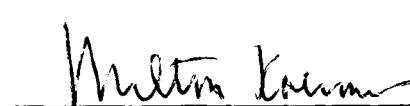
7. That the petition of Raymond G. and Dorothy C. Hahn is granted and the Notice of Deficiency in the amount of \$175.69 issued January 27, 1975 is cancelled.

DATED: Albany, New York
June 30, 1977

STATE TAX COMMISSION



PRESIDENT



COMMISSIONER



COMMISSIONER