

In the Matter of the Petition

of

ROSSER and ELIZABETH L. REEVES

AFFIDAVIT OF MAILING

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 ~~(e)~~ or Period ~~(e)~~ 1966 :

State of New York
County of Albany

John Huhn , 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 1st day of September , 1978 , she served the within

Notice of Decision by (certified) mail upon Rosser and Elizabeth L.

Reeves (representative of) the petitioner in the within proceeding,

by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed

as follows: Rosser and Elizabeth L. Reeves
4 Cedar Island
Larchmont, 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) 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

1st day of September , 1978 .





STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

AFFIDAVIT OF MAILING

ROSSER and ELIZABETH L. REEVES
For a Redetermination of a Deficiency or
a Revision of a Determination or a Refund
of Personal Income
Taxes under Article ~~(ss)~~ 22 of the
Tax Law for the Year ~~(ss) or Period(s)~~ 1966.

State of New York
County of Albany

John Huhn, 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 1st day of September, 1978, she served the within Notice of Decision by (certified) mail upon Milton Warshaw (representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Milton Warshaw
555 Fifth 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 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

1st day of September, 1978

Walker

John Huhn



STATE OF NEW YORK
STATE TAX COMMISSION
TAX APPEALS BUREAU
ALBANY, NEW YORK 12227

JAMES H. TULLY JR., PRESIDENT
MILTON KOERNER
THOMAS H. LYNCH

September 1, 1978

Mr. and Mrs. Rosser Reeves
4 Cedar Island
Larchmont, New York

Dear Mr. and Mrs. Reeves:

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

You have now exhausted your right of review at the administrative level. Pursuant to section ~~(a)~~ **690** of the Tax Law, any proceeding in court to review an adverse decision by the State Tax Commission can only be instituted under Article 78 of the Civil Practice Laws and Rules, and must be commenced in the Supreme Court of the State of New York, Albany County, within **4 months** from the date of this notice.

Inquiries concerning the computation of tax due or refund allowed in accordance with this decision may be addressed to the Deputy Commissioner and Counsel to the New York State Department of Taxation and Finance, Albany, New York 12227. Said inquiries will be referred to the proper authority for reply.

Sincerely,

Michael Alexander
Supervising Tax Hearing Officer

cc: Petitioner's Representative
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of :
ROSSER and ELIZABETH L. REEVES : DECISION
for Redetermination of a Deficiency or :
for Refund of Personal Income Tax under :
Article 22 of the Tax Law for the Year :
1966. :

Petitioners, Rosser and Elizabeth L. Reeves, 4 Cedar Island, Larchmont, New York, 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. 01938).

A formal hearing was held before Nigel G. Wright, Hearing Officer, at the offices of the State Tax Commission, 80 Centre Street, New York, New York, on September 13, 1973 at 9:15 A.M. Petitioner appeared by Milton Warshaw, Esq. The Income Tax Bureau appeared by Saul Heckelman, Esq. (Francis X. Boylan, Esq., of counsel).

ISSUE

Whether petitioners changed their domicile from New York to Jamaica, W.I., in January, despite the fact that they returned to New York in December of the same year.

FINDINGS OF FACT

1. Prior to January 28, 1966, petitioners, Rosser and Elizabeth Reeves, were domiciliaries and residents of New York. They owned a house at 4 Cedar Island, Larchmont, New York. Mr. Reeves had a small co-op apartment at 24 West 55th Street, New York, New York, which he used on nights when he worked late at his office.

2. Mr. Reeves had been a founder, a long-time employee and finally, Chairman of the Board of Ted Bates & Company, Inc., a large advertising firm. On January 21, 1966, he tendered his resignation. This was accepted during the next week and for reasons of vacation time and the firm's accounting, it was stated to be effective at the end of the firm's fiscal year on March 31, 1966. Also effective March 31, 1966, Mr. Reeves sold his stock in Ted Bates & Company, Inc. for a gain of approximately \$800,000.00, in accordance with a company policy that only employees could own such stock. A termination agreement was drawn up, including a consulting agreement and a covenant not to compete for ten years, with quarterly payments of \$20,000.00 to be paid to Mr. Reeves beginning on September 15, 1966. The firm cleared Mr. Reeves' office of his possessions and placed them in a suite at the Hotel Gotham, where he was able to terminate his affairs at his leisure. The resignation was announced to the public in early February of 1966.

3. For many years, petitioners vacationed in Jamaica, W.I. They owned shares in a hotel corporation there and leased a small beach cottage from it. They would usually be there in February or March of each year. Petitioners left for Jamaica on January 28, 1966. They had contacted a broker for the purpose of selling their Larchmont property. After they had left for Jamaica, they kept a maid at the Larchmont house and had workmen there to redecorate it. On February 3, 1966, petitioner Rosser Reeves made a down payment on a substantial estate in Jamaica. This estate was in the Parish of St. James and was known as Pimento Hill. The total purchase price was \$400,000.00. This estate was purchased with furnishings, but petitioners moved their library and art objects from Larchmont, New York, to Jamaica.

4. While in Jamaica in 1966, Mr. Reeves formed a syndicate to buy 2,500 acres of land near the City of Lucea in Jamaica. He formed the Caribbean Development Corporation for other real estate investments. He had contemplated a partnership to import red ginger flowers to the United States. However, his main activity was to work on a book that he was writing. He did not pay any type of income tax in Jamaica.

5. Petitioner Rosser Reeves came back to New York City on several occasions during 1966. He usually stayed with his son on 77th Street in Manhattan. On a couple of occasions, he stayed at

the house in Larchmont to inspect the work being done there. He came back to New York State from Jamaica once for two or three weeks, in order to sort out and dispose of his personal papers at the temporary office he had in the Gotham Hotel.

6. During January and December of 1966, petitioner spent 45 days in New York State. Rosser Reeves spent 105 days in between on business trips to New York, 39 days on business trips elsewhere and 176 days in Jamaica.

7. Petitioner Elizabeth L. Reeves suffered heart attacks in April, June and November of 1966. Her doctor advised her that Jamaica's tropical climate was not suited to her, whereupon petitioners decided to move back to New York.

8. Petitioners returned to New York State on December 15, 1966. They put their Jamaica estate up for sale and later, for sale or lease. However, the property was not sold until 1973 and then at a very substantial loss. When they returned to New York, they moved back into the Larchmont house which had yet to be sold. Later in 1973 and, again, for Mrs. Reeves' health, petitioners moved to an apartment with no stairs at Gramercy Park in New York City.

9. After 1966 Mr. Reeves began doing public relations work for a few selected and well-known clients from an office which he had at the Delmonico Hotel in New York City.

10. Petitioners timely filed two New York returns for 1967: a resident return showing only \$30,000.00 of the salary received from Ted Bates and certain miscellaneous income; a nonresident return showing \$40,000.00 received from Ted Bates under the termination agreement, the large gain on the stock sale, investment income and his business losses. The Notice of Deficiency issued to petitioners computed a tax due on his entire income as a resident of New York for all of 1966.

CONCLUSIONS OF LAW


A. That although petitioners took certain steps toward establishing a new domicile, these steps were not sufficient to show a clear and convincing intent of establishing a new and permanent domicile with the appropriate sentiment, feeling and permanent association which usually accompanies such a domicile.

B. That petitioners, Rosser and Elizabeth L. Reeves, were (a) domiciliaries of New York State, (b) maintained a permanent place of abode in New York State and (c) spent more than thirty days in New York State during 1966. Therefore, petitioners are held to be New York State residents for 1966 in accordance with the meaning and intent of section 605 of the Tax Law.

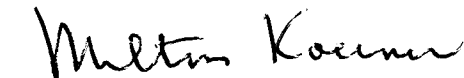
C. That the petition of Rosser and Elizabeth L. Reeves is denied and the Notice of Deficiency issued on October 27, 1969 is sustained, together with such additional interest as may be lawfully owing.

DATED: Albany, New York
September 1, 1978

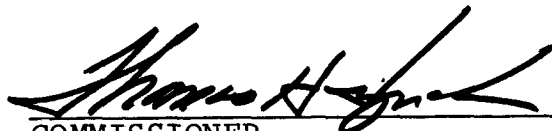
STATE TAX COMMISSION



PRESIDENT



COMMISSIONER



COMMISSIONER

Handwritten note:
I received
Koenig's check 1

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

ROSSER and ELIZABETH L. REEVES

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 (~~XXXXXX~~)
1966.

State of New York
County of Albany

John Huhn, 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 27th day of December, 1978, she served the within
Notice of Decision by (certified) mail upon Rosser and Elizabeth L.
Reeves (~~XXXXXXXXXXXXXXXXXX~~) the petitioner in the within proceeding,
by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed
as follows: Rosser and Elizabeth L. Reeves
230 Park Avenue
Rich Levine & Co.
New York, NY 10017
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 (~~XXXXXXXXXXXXXXXXXX~~)
~~XXXXXX~~ petitioner herein and that the address set forth on said wrapper is the
last known address of the (~~XXXXXXXXXXXXXXXXXXXX~~) petitioner.

Sworn to before me this
27th day of December, 1978.

Nancy Dorman

John Huhn



STATE OF NEW YORK
STATE TAX COMMISSION
TAX APPEALS BUREAU
ALBANY, NEW YORK 12227

JAMES H. TULLY JR., PRESIDENT
MILTON KOERNER
THOMAS H. LYNCH

December 27, 1978

Mr. and Mrs. Rosser Reeves
230 Park Avenue
Rich Levine & Co.
New York, New York 10017

Dear Mr. and Mrs. Reeves:

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

You have now exhausted your right of review at the administrative level. Pursuant to section ~~(X)~~ **690** of the Tax Law, any proceeding in court to review an adverse decision by the State Tax Commission can only be instituted under Article 78 of the Civil Practice Laws and Rules, and must be commenced in the Supreme Court of the State of New York, Albany County, within **4 months** from the date of this notice.

Inquiries concerning the computation of tax due or refund allowed in accordance with this decision may be addressed to the Deputy Commissioner and Counsel to the New York State Department of Taxation and Finance, Albany, New York 12227. Said inquiries will be referred to the proper authority for reply.

Sincerely,

Michael Alexander
Supervising Tax
Hearing Officer

cc: Petitioner's Representative
Taxing Bureau's Representative

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

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ROSSER and ELIZABETH L. REEVES

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of Personal Income
Taxes under Article(s) 22 of the
Tax Law for the Year ~~(xxxxxx)~~ of ~~(xxxxxx)~~
1966

State of New York
County of Albany

John Huhn, being duly sworn, deposes and says that
he is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 22 day of September, 1978, he served the within
Notice of Decision by ~~(certified)~~ mail upon Rosser and
Elizabeth L. Reeves ~~(representative of)~~ the petitioner in the within proceeding,
by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed
as follows: Rosser and Elizabeth L. Reeves
230 Park Avenue
Rich Levine & Co.
New York, NY 10017
and by depositing same enclosed in a postpaid properly addressed wrapper in a
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the United States Postal Service within the State of New York.

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

22 day of September, 1978

Francis J. ...

John Huhn

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TA-26 (4-76) 25M **FORMAL HEARING**

STATE OF NEW YORK
Department of Taxation and Finance
TAX APPEALS BUREAU

STATE CAMPUS
ALBANY, N. Y. 12227



MOVED TO NEW ADDRESS
FORWARDING TIME EXPANDED
ADDRESS UNKNOWN
NO POSTAGE NECESSARY IF MAILED
IN THE UNITED STATES
POSTAGE WILL BE PAID BY ADDRESSEE
UNDELIVERABLE AS ADDRESSED
POSTAGE DUE

Rosser and Elizabeth L. Reeves
4 Cedar Island
Larchmont, New York

add back

9-5-78 *dyg*