

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :

of

Morris D. Crawford, Jr.

and Dorothy B. Crawford :

AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or a Revision :
of a Determination or a Refund of Personal Income :
Tax under Article 22 of the Tax Law for the Year :
1971.

State of New York
County of Albany

Jay Vredenburg, 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 29th day of January, 1982, he served the within notice of Decision by certified mail upon Morris D. Crawford, Jr. and Dorothy B. Crawford the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

Morris D. Crawford, Jr.
and Dorothy B. Crawford
71 Gilliam Ln.
Riverside, CT 06878

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 petitioner herein and that the address set forth on said wrapper is the last known address of the petitioner.

Sworn to before me this
29th day of January, 1982.

Annice A. Hayland

J. Vredenburg

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition :
of :
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and Dorothy B. Crawford :

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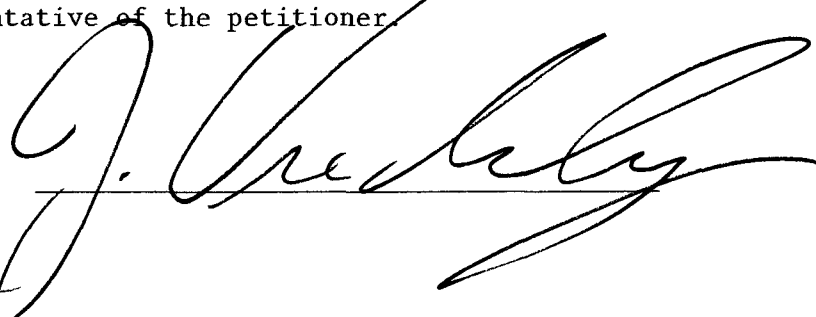
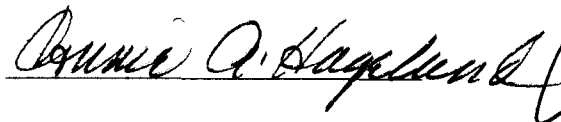
Jay Vredenburg, being duly sworn, deposes and says that he is an employee of the Department of Taxation and Finance, over 18 years of age, and that on the 29th day of January, 1982, he served the within notice of Decision by certified mail upon Arnold J. Zurcher the representative of the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

Arnold J. Zurcher
Cadwalader, Wickersham & Taft
One Wall St.
New York, NY 10005

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
29th day of January, 1982.

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

January 29, 1982

Morris D. Crawford, Jr.
and Dorothy B. Crawford
71 Gilliam Ln.
Riverside, CT 06878

Dear Mr. & Mrs. Crawford:

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(s) 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:

NYS Dept. Taxation and Finance
Deputy Commissioner and Counsel
Albany, New York 12227
Phone # (518) 457-6240

Very truly yours,

STATE TAX COMMISSION

cc: Petitioner's Representative
Arnold J. Zurcher
Cadwalader, Wickersham & Taft
One Wall St.
New York, NY 10005
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition	:	
	:	
of	:	
	:	
MORRIS D. CRAWFORD, JR.	:	
and	:	DECISION
DOROTHY B. CRAWFORD	:	
	:	
for Redetermination of a Deficiency or for	:	
Refund of Personal Income Tax under Article 22	:	
of the Tax Law for the Year 1971.	:	

Petitioners, Morris D. Crawford, Jr. and Dorothy B. Crawford, 71 Gilliam Lane, Riverside, Connecticut 06878, 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 1971 (File No. 13134).

A small claims hearing was held before Allen Caplowaith, Hearing Officer, at the offices of the State Tax Commission, Two World Trade Center, New York, New York, on August 22, 1979 at 2:45 P.M. Petitioners appeared by Grant B. Hering and Wayne M. Grzecki, Esqs. The Audit Division appeared by Peter Crotty, Esq. (Abraham Schwartz, Esq., of counsel).

ISSUE

Whether days spent without New York State, participating in a "President's Commission", were properly reported as "days worked outside New York State" with respect to petitioner Morris D. Crawford, Jr.'s allocation of wages earned from his employer, The Bowery Savings Bank.

FINDINGS OF FACT

1. Petitioners, Morris D. Crawford, Jr. (hereinafter petitioner) and Dorothy B. Crawford, timely filed a New York State Income Tax Nonresident Return for 1971. On said return, petitioner claimed an allocation of wages

derived from his New York employer, The Bowery Savings Bank (The Bowery). Said allocation consisted, in part, of claiming 34 days worked outside New York State.

2. On April 3, 1973, the Income Tax Bureau issued a Statement of Audit Changes wherein it stated:

"Information submitted reveals that you have included 18 days in which services were rendered for the General Services Administration in your allocation of services rendered to The Bowery Savings Bank.

Since compensation received from the General Services Administration was not for services rendered in New York State and such income is therefore not reportable to New York State, days spent in performing services for this employer should not be included as days worked outside New York State for The Bowery Savings Bank. Therefore, days worked outside New York State are adjusted to 16, and 18 other nonworking days are allowed."

Additionally, an uncontested adjustment was made increasing petitioners' allowed itemized deductions by \$300.00 as the result of a mathematical error whereby petitioner subtracted, rather than added, a deduction claimed for life insurance premiums. Accordingly, a Notice of Deficiency was issued on February 24, 1975, asserting additional personal income tax in the amount of \$1,532.02, plus interest of \$262.69, for a total due of \$1,794.71.

3. The 18 days at issue, worked without New York State, were done so in the petitioner's capacity as a commissioner on "The President's Commission on Financial Structure & Regulation". The Commission met during 1971 in various cities within the United States. Petitioner, during the year at issue, was the Chairman of the Board of Trustees and the Chief Executive Officer of The Bowery, the nation's largest savings bank. He was appointed by President Nixon, together with nineteen other individuals involved in the financial industry, to serve on said Commission. The purpose of the President's Commission on Financial Structure & Regulation (better known and hereinafter referred to

as the Hunt Commission) was to undertake a thorough analysis of the structure of the nation's financial institutions in order to formulate proposed legislation which would improve the functioning of the private financial system.

4. Petitioner, Morris Crawford, contended that the days worked without New York State, while serving on the Hunt Commission, were days which should be lawfully considered and treated as days worked without New York State for The Bowery.

5. Petitioner, Morris Crawford, was paid an honorarium of \$2,400.00 by the General Services Administration for his service on the Hunt Commission. He did not include said amount in New York income. Wages paid to him by The Bowery during 1971 were \$148,400.00.

6. Petitioner contended that The Bowery reimbursed him for business expenses in excess of the \$25.00 per day reimbursement paid by the General Services Administration.

7. Petitioner contended that part of his regular responsibilities as Chief Executive of The Bowery were to serve on various industry and civic committees.

8. Petitioner contended that he was encouraged by The Bowery's Board of Trustees to play an active role in presenting the position of the bank, as well as that of the savings bank industry to the Hunt Commission. This was evidenced by a Bowery Board of Trustees resolution which, although passed subsequent to the year at issue, reflected its sentiments at the time.

9. Petitioner contended that while working for the Hunt Commission, he was directly performing services for The Bowery by presenting and protecting the position of the savings bank industry. This is reflected in the opening address to The Commission by Under-Secretary of the Treasury, Dr. Charles E. Walker, which stated, in part, that:

"quite clearly the prestige of the members of this Commission, the quality of the study that you are going to carry out, and the fact that the institutions whose operations might be affected are represented on The Commission by people knowledgeable of and, to some extent representative of those institutions..., would mean that the prospects for good legislation are greatly enhanced." (emphasis supplied)

CONCLUSIONS OF LAW

A. That the 18 days which petitioner Morris D. Crawford, Jr. spent without New York State as a member of the Hunt Commission were days which should not be properly treated as days worked outside New York State for the purpose of allocating his wages from The Bowery Savings Bank within the meaning and intent of section 632(c) of the Tax Law and 20 NYCRR 131.16 and 131.21.

Petitioner Morris Crawford Jr.'s argument that he worked for the bank on the days he was on commission business outside New York State is without merit since any such time spent by him working for the bank was for his own convenience and not for the necessity of his employer. Petitioner's further argument that his work for the Hunt Commission constituted work for the Bowery Savings Bank is also without merit since he received a salary for his services on the Hunt Commission from the United States Government which salary was omitted from New York income.

B. That the petition of Morris D. Crawford, Jr. and Dorothy B. Crawford is denied, and the Notice of Deficiency dated February 24, 1975 is sustained.

DATED: Albany, New York
JAN 29 1982

STATE TAX COMMISSION

James G. Tully

PRESIDENT

Frank R. Koong

COMMISSIONER

Mark D. Sullivan

COMMISSIONER