

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

MGD GRAPHIC SYSTEMS, INC.

AFFIDAVIT OF MAILING

For a Redetermination of a Deficiency or :
a Revision of a Determination or a Refund :
of Sales and Use :
Taxes under Article(s) 28 & 29 of the :
Tax Law for the ~~Year(s)~~ Period ~~(s)~~ :
March 1, 1972 through November 30, 1975.

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 3rd day of May, 1978, ~~he~~ served the within
Notice of Determination by ~~(certified)~~ mail upon MGD Graphic
Systems, Inc. ~~(representative of)~~ the petitioner in the within proceeding,
by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed
as follows: MGD Graphic Systems, Inc.
600 Grant Street
Pittsburgh, Pennsylvania 15219

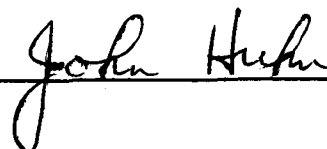
and by depositing same enclosed in a postpaid, properly addressed wrapper in a
(post office or official depository) under the exclusive care and custody of
the United States Postal Service within the State of New York.

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

3rd day of May, 1978





STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

MGD GRAPHIC SYSTEMS, INC.

AFFIDAVIT OF MAILING

For a Redetermination of a Deficiency or :
a Revision of a Determination or a Refund :
of Sales and Use :
Taxes under Article(s) 28 & 29 of the :
Tax Law for the ~~XXXXXX~~ Period(s) :
March 1, 1972 through November 30, 1975.

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 3rd day of May , 19 78, ~~she~~ served the within
Notice of Determination by (~~certified~~) mail upon Richard F. Youmans

(representative of) the petitioner in the within proceeding,

by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed
Richard F. Youmans, Esq.
as follows: International Tax Counsel

Western Hemisphere

600 Grant Street

Pittsburgh, Pennsylvania 15219

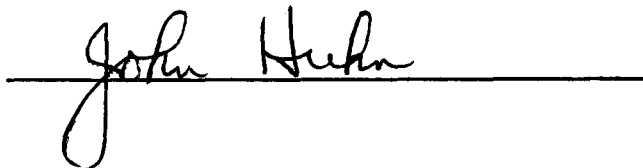
and by depositing same enclosed in a postpaid properly addressed wrapper in a
(post office or official depository) under the exclusive care and custody of
the United States Postal Service within the State of New York.

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

3rd day of May , 19 78







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

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

May 3, 1978

**MSD Graphic Systems, Inc.
600 Grant Street
Pittsburgh, Pennsylvania 15219**

Gentlemen:

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

You have now exhausted your right of review at the administrative level. Pursuant to section(s) **1138 & 1243** 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,

**Aloysius J. Mendonza
Assistant Director**

cc: Petitioner's Representative
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Application :

of :

MGD GRAPHIC SYSTEMS, INC. : DETERMINATION

for Revision of a Determination or for :
Refund of Sales and Use Taxes under :
Articles 28 and 29 of the Tax Law for the :
Period March 1, 1972 through November 30, :
1975. :

Applicant, MGD Graphics Systems, Inc., 600 Grant Street, Pittsburgh, Pennsylvania 15219, filed an application for revision of a determination or for refund of sales and use taxes under Articles 28 and 29 of the Tax Law for the period March 1, 1972 through November 30, 1975 (File No. 16578).

A formal hearing was held before Alan R. Golkin, Hearing Officer, at the offices of the State Tax Commission, State Office Building, 65 Court Street, Buffalo, New York, on March 10, 1977 at 1:15 P.M. and continued on July 13, 1977 at 10:45 A.M. Applicant appeared by Richard F. Youmans, Esq. (James J. Morris, Esq., of counsel).

ISSUE

Whether the Sales Tax Bureau's determination of additional taxes due, based on a field audit of applicant's books and records, was correct.

FINDINGS OF FACT

1. On August 2, 1976 as the result of an audit of applicant's books and records, the Sales Tax Bureau issued a Notice of Determination and Demand for Payment of Sales and Use Taxes Due against applicant, MGD Graphic Systems, Inc., for the

period March 1, 1972 through November 30, 1975. It imposed additional sales and use taxes due in the amount of \$71,948.58, plus penalty and interest of \$28,339.34, for a total due of \$100,287.92. An application for a hearing was timely filed.

2. At the hearing it was stipulated and agreed to by the Sales Tax Bureau and applicant that tax in the amount of \$8,626.00, together with penalties and interest, be cancelled.

3. Applicant agreed that the remaining amount of tax is due and owing.

4. Applicant claimed that it acted in good faith by relying on professional advice and requested that the penalties and additional interest be abated.

CONCLUSIONS OF LAW

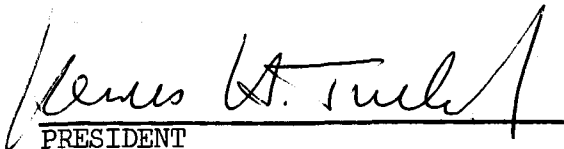
A. That the amount of additional tax due is \$63,322.58.

B. That applicant acted in good faith; therefore, penalties are cancelled and interest is reduced to the minimum statutory rate.

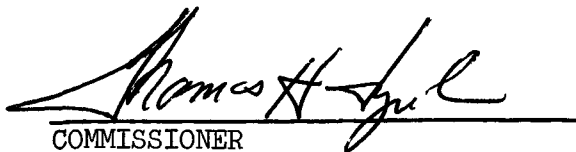
C. That the application of MGD Graphic Systems, Inc. is granted to the extent indicated in Conclusions of Law "A" and "B", above; that the Sales Tax Bureau is hereby directed to accordingly modify the Notice of Determination and Demand for Payment of Sales and Use Taxes Due issued August 2, 1976, and that, except as so granted, the application is in all other respects denied.

DATED: Albany, New York
May 3, 1978

STATE TAX COMMISSION


PRESIDENT


COMMISSIONER


COMMISSIONER