

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

THE MANHATTAN CHESS CLUB

OF THE CITY OF NEW YORK, INC.

For a Redetermination of a Deficiency or
a Revision of a Determination or a Refund
of Sales and Use
Taxes under Article(s) 28 and 29 of the
Tax Law for the ~~Year(s)~~ Period(s)
September 1, 1971 through November 30, 1972.

AFFIDAVIT OF MAILING

State of New York
County of Albany

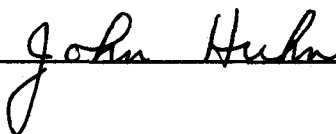
John Huhn, being duly sworn, deposes and says that
he is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 24th day of April, 1978, he served the within
Notice of Determination by ~~(certified)~~ mail upon The Manhattan Chess Club
of the City of New York, Inc. ~~(representative of)~~ the petitioner in the within proceeding,
by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed
as follows:
The Manhattan Chess Club
of the City of New York, Inc.
155 East 55th Street
New York, New York 10022
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

24th day of April, 1978.







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

April 24, 1978

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

**The Manhattan Chess Club
of the City of New York, Inc.
155 East 55th Street
New York, New York 10022**

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) **1139 & 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,

**Joseph Chyrywat
Hearing Examiner**

cc: ~~Director of Taxation~~

Taxing Bureau's Representative

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Application
of

THE MANHATTAN CHESS CLUB
OF THE CITY OF NEW YORK, 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 September 1, 1971 through :
November 30, 1972. :

Applicant, The Manhattan Chess Club of the City of New York, Inc.,
155 East 55th Street, New York, New York, 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 September 1, 1971
through November 30, 1972. (File No. 10692).

A small claims hearing was held before Joseph A. Milack, Hearing
Officer, at the offices of the State Tax Commission, Two World Trade
Center, New York, on July 14, 1976 at 9:15 a.m. Applicant appeared
by Thomas Levine, Director of the Manhattan Chess Club. The Sales
Tax Bureau appeared by Peter Crotty, Esq. (Frank Levitt, Esq., of
counsel).

ISSUE

Whether applicant is a social club as defined in section 1101(d)(13)
of the Tax Law.

FINDINGS OF FACT

1. Applicant, The Manhattan Chess Club of the City of New York, Inc., collected and remitted sales tax on dues received from its members during the period September 1, 1971 through November 30, 1972 in the sum of \$1,852.48.

2. Applicant, claiming that it is not a social club, filed applications for refund of sales tax paid as follows:

<u>Period Ended</u>	<u>Date Claim Filed</u>	<u>Amount of Sales Tax</u>
11/30/71	12/19/74	\$347.06
2/29/72	3/18/75	355.81
5/31/72	6/18/75	343.35
8/31/72	9/18/75	408.73
11/30/72	12/20/75	397.53

3. Applicant is recognized as one of the largest and foremost chess clubs in the United States and the world. When in New York, world-renowned chess Grand Masters frequently visit and play at applicant's club.

4. Applicant's constitution and by-laws, as amended on January 22, 1953, state that "...its purposes and objects shall be the advancement and cultivation of the game of Chess, the providing of suitable facilities and opportunities for play thereat;...".

5. Applicant provides instructions for club members, particularly members of grammar-school age, and sponsors lectures

by chess columnists and other famous and successful chess personalities. In addition, exhibition games are played by some lecturers and, afterwards, the lecturer explains the strategy followed during said exhibition game. Tournaments involving international players are also sponsored.

6. Applicant's facilities consist of a tournament room, a main playing room, which includes a library and trophy section, and a small manager's office. There are no lounges, dining rooms or facilities of a social nature.

7. Applicant contends that the predominate purpose of the club is the advancement of the game of Chess.

CONCLUSIONS OF LAW

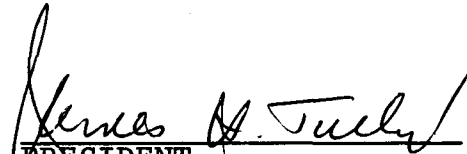
A. That the material purpose and activity of the Manhattan Chess Club of the City of New York, Inc. is the advancement and cultivation of the game of Chess. The achievement of this is effectuated through lectures, exhibitions, chess games between members and the sponsorship of tournaments.

B. That applicant is not a social club in accordance with the meaning and intent of section 1101(d)(13) of the Tax Law, and, therefore, has erroneously collected and remitted sales tax on its dues.

C. That applicant, upon submission of proof that its members have been reimbursed for the sales tax collected, shall be granted the refunds claimed.

DATED: Albany, New York
April 24, 1978

STATE TAX COMMISSION


PRESIDENT


COMMISSIONER


COMMISSIONER