

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

July 15, 1983

Quorum Associates, Inc.  
9 East 38th St.  
New York, NY 10016

Gentlemen:

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) 1138 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 Law 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  
Law Bureau - Litigation Unit  
Building #9 State Campus  
Albany, New York 12227  
Phone # (518) 457-2070

Very truly yours,

STATE TAX COMMISSION

cc: Petitioner's Representative  
Hirsch Kaplan  
405 Lexington Ave., 20th Fl.  
New York, NY 10174  
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition  
of  
Quorum Associates, Inc.

:

:

AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or a Revision :  
of a Determination or a Refund of :  
Sales & Use Tax :  
under Article 28 & 29 of the Tax Law :  
for the Period 3/1/75-2/28/78. :

State of New York  
County of Albany

Connie Hagelund, 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 15th day of July, 1983, she served the within notice of Decision by certified mail upon Quorum Associates, Inc., the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

Quorum Associates, Inc.  
9 East 38th St.  
New York, NY 10016

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  
15th day of July, 1983.



AUTHORIZED TO ADMINISTER  
OATHS PURSUANT TO TAX LAW  
SECTION 174

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :  
of :  
Quorum Associates, Inc. :

AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or a Revision :  
of a Determination or a Refund of :  
Sales & Use Tax :  
under Article 28 & 29 of the Tax Law :  
for the Period 3/1/75-2/28/78. :

State of New York  
County of Albany

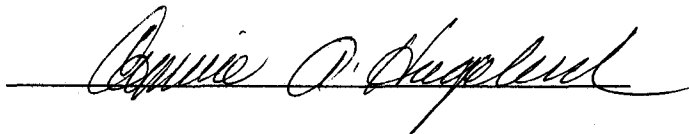
Connie Hagelund, being duly sworn, deposes and says that she is an employee of the Department of Taxation and Finance, over 18 years of age, and that on the 15th day of July, 1983, she served the within notice of Decision by certified mail upon Hirsch Kaplan the representative of the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

Hirsch Kaplan  
405 Lexington Ave., 20th Fl.  
New York, NY 10174

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  
15th day of July, 1983.





AUTHORIZED TO ADMINISTER  
OATHS PURSUANT TO TAX LAW  
SECTION 174

STATE OF NEW YORK

STATE TAX COMMISSION

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In the Matter of the Petition :  
of :  
QUORUM ASSOCIATES, INC. : DECISION  
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, 1975 :  
through February 28, 1978.

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Petitioner, Quorum Associates, Inc., 9 East 38th Street, New York, New York 10016, filed a petition 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, 1975 through February 28, 1978 (File No. 24847).

A small claims hearing was held before Arthur Johnson, Hearing Officer, at the offices of the State Tax Commission, Two World Trade Center, New York, New York, on November 17, 1981, at 10:45 A.M., and continued on January 10, 1983 at 1:15 P.M. Petitioner appeared by Hirsch Kaplan, CPA. The Audit Division appeared by Paul B. Coburn, Esq. (William Fox, Esq., of counsel).

ISSUE

Whether the additional sales and use taxes determined by the Audit Division on an audit of petitioner's books and records were correct.

FINDINGS OF FACT

1. Petitioner, Quorum Associates, Inc. was an advertising and public relations agency.
2. On November 13, 1978, as the result of an audit, the Audit Division issued a Notice of Determination and Demand for Payment of Sales and Use Taxes Due against petitioner covering the period March 1, 1975 through February 28,

1978 for taxes due \$4,031.57, plus penalty and interest of \$1,742.75, for a total of \$5,774.32.

3. On audit, the Audit Division reviewed sales invoices for the period March 1, 1975 through May 31, 1975 (sales invoices were not available for the other periods under audit) and found additional sales taxes due of \$41.74 or an error factor of 4.3 percent. This percentage was used as a basis for determining additional sales taxes due of \$257.28 for the entire audit period.

The Audit Division also examined expense purchases for the year 1977 which disclosed purchases subject to use tax of \$15,658.01. The results of the test year (1977) was used to estimate use taxes due of \$3,774.29 for the audit period.

4. At the hearing, the Audit Division conceded that the taxable expense purchases for the year 1977 should be reduced to \$8,409.66. The Audit Division further conceded that based on the Matter of Chartair, Inc. v. State Tax Commission, 65 A.D.2d 44, petitioner's use tax liability shall be limited to \$624.08, the actual amount due for 1977, plus minimum statutory interest.

5. Petitioner agreed to the revised deficiency as follows:

Sales Tax	\$ 257.28
Use Tax	624.08
Total Due	\$ 881.36 plus interest

#### CONCLUSIONS OF LAW

A. That in accordance with Findings of Fact "4" and "5", the additional sales and use taxes due are reduced to \$881.36, plus minimum statutory interest.


B. That the petition of Quorum Associates, Inc. is granted to the extent indicated in Conclusion of Law "A"; that the Audit Division is hereby directed to modify the Notice of Determination and Demand for Payment of Sales and Use

Taxes Due issued November 13, 1978; and that, except as so granted, the petition is in all other respects denied.

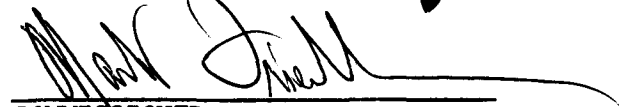
DATED: Albany, New York

JUL 15 1983

STATE TAX COMMISSION

  
PRESIDENT

  
COMMISSIONER

  
COMMISSIONER

P 481 208 039

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	
Quorum Associates, Inc.	
Street and No.	
9 East 38th St.	
P.O., State and ZIP Code	
New York, NY 10016	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return Receipt Showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, Feb. 1982

P 481 208 042

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	
Hirsch Kaplan	
Street and No.	
405 Lexington Ave 20th Fl.	
P.O., State and ZIP Code	
New York, NY 10174	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return Receipt Showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, Feb. 1982