

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of :
The Morrill Press, Inc. : AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or Revision :
of a Determination or Refund of Sales & Use Tax :
under Article 28 & 29 of the Tax Law for the :
Period 8/31/78 - 3/24/84. :

State of New York :

ss.:

County of Albany :

David Parchuck, being duly sworn, deposes and says that he is an employee of the State Tax Commission, that he is over 18 years of age, and that on the 16th day of October, 1985, he served the within notice of Decision by certified mail upon The Morrill Press, Inc., the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

The Morrill Press, Inc.
c/o Engraph, Inc.
2635 Century Parkway, N.E.
Atlanta, GA 30345

and by depositing same enclosed in a postpaid properly addressed wrapper in a post office 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
16th day of October, 1985.

David Parchuck

James G. Hagelund
Authorized to administer oaths
pursuant to Tax Law section 174

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of
The Morrill Press, Inc. : AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or Revision :
of a Determination or Refund of Sales & Use Tax :
under Article 28 & 29 of the Tax Law for the :
Period 8/31/78 - 3/24/84. :

State of New York :

ss.:

County of Albany :

David Parchuck, being duly sworn, deposes and says that he is an employee of the State Tax Commission, that he is over 18 years of age, and that on the 16th day of October, 1985, he served the within notice of Decision by certified mail upon Wallace Van C. Auser, the representative of the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

Wallace Van C. Auser
Auser, Summer & Auser
226 Oneida St.
Fulton, NY 13069

and by depositing same enclosed in a postpaid properly addressed wrapper in a post office 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
16th day of October, 1985.

David Parchuck

Bonnie A. Hagelund
Authorized to administer oaths
pursuant to Tax Law section 174

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

October 16, 1985

The Morrill Press, Inc.
c/o Engraph, Inc.
2635 Century Parkway, N.E.
Atlanta, GA 30345

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, a proceeding in court to review an adverse decision by the State Tax Commission may be instituted only 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
Wallace Van C. Auser
Auser, Summer & Auser
226 Oneida St.
Fulton, NY 13069
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of
Robert Bymaster
Off. of The McFarlane Corporation : AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or Revision :
of a Determination or Refund of Sales & Use Tax
under Article 28 & 29 of the Tax Law for the :
Period 12/1/81 - 3/24/84.

State of New York :

ss.:

County of Albany :

David Parchuck, being duly sworn, deposes and says that he is an employee of the State Tax Commission, that he is over 18 years of age, and that on the 16th day of October, 1985, he served the within notice of Decision by certified mail upon Robert Bymaster, Off. of The McFarlane Corporation the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

Robert Bymaster
Off. of The McFarlane Corporation
c/o The Morrill Press, Inc.
Morrill Place
Fulton, New York 13069

and by depositing same enclosed in a postpaid properly addressed wrapper in a post office 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
16th day of October, 1985.

David Parchuck

Ann A. Hapkins
Authorized to administer oaths

pursuant to Tax Law section 174

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of :
Robert Bymaster :
Off. of The McFarlane Corporation : AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or Revision :
of a Determination or Refund of Sales & Use Tax :
under Article 28 & 29 of the Tax Law for the :
Period 12/1/81 - 3/24/84. :

State of New York :

ss.:

County of Albany :

David Parchuck, being duly sworn, deposes and says that he is an employee of the State Tax Commission, that he is over 18 years of age, and that on the 16th day of October, 1985, he served the within notice of Decision by certified mail upon John D. Allen, the representative of the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

John D. Allen
Bond, Schoeneck & King
One Lincoln Center
Syracuse, NY 13069

and by depositing same enclosed in a postpaid properly addressed wrapper in a post office 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
16th day of October, 1985.

David Parchuck

David A. [Signature]

Authorized to administer oaths
pursuant to Tax Law section 174

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

October 16, 1985

Robert Bymaster
Off. of The McFarlane Corporation
c/o The Morrill Press, Inc.
Morrill Place
Fulton, New York 13069

Dear Mr. Bymaster:

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, a proceeding in court to review an adverse decision by the State Tax Commission may be instituted only 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
John D. Allen
Bond, Schoeneck & King
One Lincoln Center
Syracuse, NY 13069
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of

Robert Vaynor (Officer of) :
The McFarlane Corporation : AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or Revision :
of a Determination or Refund of Sales & Use Tax :
under Article 28 & 29 of the Tax Law for the :
Period 12/1/81 - 3/24/84.

State of New York :

ss.:

County of Albany :

David Parchuck, being duly sworn, deposes and says that he is an employee of the State Tax Commission, that he is over 18 years of age, and that on the 16th day of October, 1985, he served the within notice of Decision by certified mail upon Robert Vaynor (Officer of), The McFarlane Corporation the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

Robert Vaynor (Officer of)
The McFarlane Corporation
c/o The Morrill Press, Inc.
Fulton, New York 13069

and by depositing same enclosed in a postpaid properly addressed wrapper in a post office 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
16th day of October, 1985.

David Parchuck

Carmie R. Hagedorn

Authorized to administer oaths
pursuant to Tax Law section 174

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of

Robert Vaynor (Officer of) :
The McFarlane Corporation :

AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or Revision :
of a Determination or Refund of Sales & Use Tax :
under Article 28 & 29 of the Tax Law for the :
Period 12/1/81 - 3/24/84. :

State of New York :

ss.:

County of Albany :

David Parchuck, being duly sworn, deposes and says that he is an employee of the State Tax Commission, that he is over 18 years of age, and that on the 16th day of October, 1985, he served the within notice of Decision by certified mail upon John D. Allen, the representative of the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

John D. Allen
Bond, Schoeneck & King
One Lincoln Center
Syracuse, NY 13202

and by depositing same enclosed in a postpaid properly addressed wrapper in a post office 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
16th day of October, 1985.

David Parchuck

James A. Hegel

Authorized to administer oaths
pursuant to Tax Law section 174

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

October 16, 1985

Robert Vaynor (Officer of)
The McFarlane Corporation
c/o The Morrill Press, Inc.
Fulton, New York 13069

Dear Mr. Vaynor:

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, a proceeding in court to review an adverse decision by the State Tax Commission may be instituted only 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
John D. Allen
Bond, Schoeneck & King
One Lincoln Center
Syracuse, NY 13202
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of
David McFarlane, Jr. (Officer of) :
The McFarlane Corp. : AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or Revision :
of a Determination or Refund of Sales & Use Tax :
under Article 28 & 29 of the Tax Law for the :
Period 12/1/81 - 3/24/84. :

State of New York :

ss.:

County of Albany :

David Parchuck, being duly sworn, deposes and says that he is an employee of the State Tax Commission, that he is over 18 years of age, and that on the 16th day of October, 1985, he served the within notice of Decision by certified mail upon David McFarlane, Jr. (Officer of), The McFarlane Corp. the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

David McFarlane, Jr. (Officer of)
The McFarlane Corp.
c/o The Morrill Press, Inc.
Morrill Place
Fulton, New York 13069

and by depositing same enclosed in a postpaid properly addressed wrapper in a post office 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
16th day of October, 1985.

David Parchuck

Carrie A. Angelino
Authorized to administer oaths
pursuant to Tax Law section 174

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of :
David McFarlane, Jr. (Officer of) :
The McFarlane Corp. : AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or Revision :
of a Determination or Refund of Sales & Use Tax :
under Article 28 & 29 of the Tax Law for the :
Period 12/1/81 - 3/24/84. :

State of New York :

ss.:

County of Albany :

David Parchuck, being duly sworn, deposes and says that he is an employee of the State Tax Commission, that he is over 18 years of age, and that on the 16th day of October, 1985, he served the within notice of Decision by certified mail upon John D. Allen, the representative of the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

John D. Allen
Bond, Schoeneck & King
One Lincoln Center
Syracuse, NY 13202

and by depositing same enclosed in a postpaid properly addressed wrapper in a post office 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
16th day of October, 1985.

David Parchuck

Gennie A. DeGrella

Authorized to administer oaths
pursuant to Tax Law section 174

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

October 16, 1985

David McFarlane, Jr. (Officer of)
The McFarlane Corp.
c/o The Morrill Press, Inc.
Morrill Place
Fulton, New York 13069

Dear Mr. McFarlane:

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, a proceeding in court to review an adverse decision by the State Tax Commission may be instituted only 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
John D. Allen
Bond, Schoeneck & King
One Lincoln Center
Syracuse, NY 13202
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of :
The McFarlane Corp. : AFFIDAVIT OF MAILING
for Redetermination of a Deficiency or Revision :
of a Determination or Refund of Sales & Use Tax :
under Article 28 & 29 of the Tax Law for the :
Period 12/1/81 - 3/24/84. :

State of New York :

ss.:

County of Albany :

David Parchuck, being duly sworn, deposes and says that he is an employee of the State Tax Commission, that he is over 18 years of age, and that on the 16th day of October, 1985, he served the within notice of Decision by certified mail upon The McFarlane Corp., the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

The McFarlane Corp.
c/o Mr. David E. McFarlane, Jr.
Morrill Place
Fulton, NY 13069

and by depositing same enclosed in a postpaid properly addressed wrapper in a post office 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
16th day of October, 1985.

David Parchuck

David A. Laguarda

Authorized to administer oaths
pursuant to Tax Law section 174

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of :
The McFarlane Corp. : AFFIDAVIT OF MAILING
for Redetermination of a Deficiency or Revision :
of a Determination or Refund of Sales & Use Tax :
under Article 28 & 29 of the Tax Law for the :
Period 12/1/81 - 3/24/84. :

State of New York :

ss.:

County of Albany :

David Parchuck, being duly sworn, deposes and says that he is an employee of the State Tax Commission, that he is over 18 years of age, and that on the 16th day of October, 1985, he served the within notice of Decision by certified mail upon John D. Allen, the representative of the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

John D. Allen
Bond, Schoeneck & King
One Lincoln Center
Syracuse, NY 13202

and by depositing same enclosed in a postpaid properly addressed wrapper in a post office 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
16th day of October, 1985.

David Parchuck

Annie D. Hagelund
Authorized to administer oaths
pursuant to Tax Law section 174

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

October 16, 1985

The McFarlane Corp.
c/o Mr. David E. McFarlane, Jr.
Morrill Place
Fulton, NY 13069

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, a proceeding in court to review an adverse decision by the State Tax Commission may be instituted only 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.

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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
John D. Allen
Bond, Schoeneck & King
One Lincoln Center
Syracuse, NY 13202
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition
of

The Morrill Press, Inc.

:

:

AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or Revision
of a Determination or Refund of Sales & Use Tax
under Article 28 & 29 of the Tax Law for the
Period 6/1/78 - 11/30/81.

:

:

State of New York :

ss.:

County of Albany :

David Parchuck, being duly sworn, deposes and says that he is an employee of the State Tax Commission, that he is over 18 years of age, and that on the 16th day of October, 1985, he served the within notice of Decision by certified mail upon The Morrill Press, Inc., the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

The Morrill Press, Inc.
Morrill Place
Fulton, NY 13069

and by depositing same enclosed in a postpaid properly addressed wrapper in a post office 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
16th day of October, 1985.

David Parchuck

James P. Hayden

Authorized to administer oaths
pursuant to Tax Law section 174

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of :
The Morrill Press, Inc. : AFFIDAVIT OF MAILING
for Redetermination of a Deficiency or Revision :
of a Determination or Refund of Sales & Use Tax :
under Article 28 & 29 of the Tax Law for the :
Period 6/1/78 - 11/30/81. :

State of New York :

ss.:

County of Albany :

David Parchuck, being duly sworn, deposes and says that he is an employee of the State Tax Commission, that he is over 18 years of age, and that on the 16th day of October, 1985, he served the within notice of Decision by certified mail upon John D. Allen, the representative of the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

John D. Allen
Bond, Schoeneck & King
One Lincoln Center
Syracuse, NY 13202

and by depositing same enclosed in a postpaid properly addressed wrapper in a post office 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
16th day of October, 1985.

David Parchuck

James A. DeGalland
Authorized to administer oaths
pursuant to Tax Law section 174

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

October 16, 1985

The Morrill Press, Inc.
Morrill Place
Fulton, NY 13069

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, a proceeding in court to review an adverse decision by the State Tax Commission may be instituted only 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
John D. Allen
Bond, Schoeneck & King
One Lincoln Center
Syracuse, NY 13202
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition

of

THE MORRILL PRESS

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 June 1, 1978
through November 30, 1981.

In the Matter of the Petition

of

THE McFARLANE CORPORATION

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 December 1, 1981
through March 24, 1984.

DECISION

In the Matter of the Petition

of

DAVID McFARLANE, JR.,
as Officer of The McFarlane Corporation

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 December 1, 1981
through March 24, 1984.

In the Matter of the Petition

of

ROBERT VAYNOR,
as Officer of The McFarlane Corporation

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 December 1, 1981
through March 24, 1984.

In the Matter of the Petition	:	
	:	
of	:	
	:	
ROBERT BYMASTER,	:	
as Officer of The McFarlane Corporation	:	
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 December 1, 1981	:	
through March 24, 1984.	:	
	:	DECISION

In the Matter of the Petition	:	
	:	
of	:	
	:	
THE MORRILL PRESS, INC.	:	
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 June 1, 1978	:	
through March 24, 1984.	:	
	:	

Petitioner The Morrill Press, Morrill Place, Fulton, New York 13069, 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 June 1, 1978 through November 30, 1981 (File No. 37818).

Petitioner The McFarlane Corporation, c/o David McFarlane, Jr., The Morrill Press, Inc., Morrill Place, Fulton, New York 13069, 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 December 1, 1981 through March 24, 1984 (File No. 54790).

Petitioner David McFarlane, Jr., as officer of The McFarlane Corporation, c/o The Morrill Press, Inc., Morrill Place, Fulton, New York 13069, 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 December 1, 1981 through March 24, 1984 (File No. 54794).

Petitioner Robert Vaynor, as officer of The McFarlane Corporation, c/o The Morrill Press, Inc., Morrill Place, Fulton, New York 13069, 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 December 1, 1981 through March 24, 1984 (File No. 54792).

Petitioner Robert Bymaster, as officer of The McFarlane Corporation, c/o The Morrill Press, Inc., Morrill Place, Fulton, New York 13069, 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 December 1, 1981 through March 24, 1984 (File No. 54793).

Petitioner The Morrill Press, Inc., c/o Engraph, Inc., 2635 Century Parkway N.E., Atlanta, Georgia 30345, 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 June 1, 1978 through March 24, 1984 (File No. 54791).

A hearing in the Matter of the petition of The Morrill Press was held before Arthur Bray, Hearing Officer, at the offices of the State Tax Commission, 333 East Washington Street, Syracuse, New York, on September 17, 1984 at 1:15 P.M., with all briefs to be submitted by May 24, 1985. Petitioner appeared by Bond, Schoeneck & King (John D. Allen, Esq., of counsel) and Auser, Sumner & Auser (Wallace Van C. Auser, III, Esq., of counsel). The Audit Division appeared by John P. Dugan, Esq. (Paul A. Lefebvre, Esq., of counsel).

On March 25, 1985, petitioners The McFarlane Corporation, David McFarlane, Jr., Robert Vaynor, Robert Bymaster and The Morrill Press, Inc., waived their

right to a hearing and submitted their petitions for decision along with the petition of The Morrill Press.

ISSUE

Whether charges made by engravers for finished printing plates constitute the purchase of a service subject to tax under sections 1105(c)(2) or (3) of the Tax Law or the purchase of tangible personal property exempt from tax under section 1115(a)(12) of the Tax Law.

FINDINGS OF FACT

1. On April 27, 1982, the Audit Division, as the result of a field audit, issued a Notice of Determination and Demand for Payment of Sales and Use Taxes Due against petitioner The Morrill Press assessing use taxes due of \$63,336.58, plus interest of \$13,243.55, for a total amount due of \$76,580.13 for the period June 1, 1978 through November 30, 1981.

2. In or about March, 1984, The Morrill Press ("Morrill") changed its name to The McFarlane Corporation. Consequently, the aforementioned petitioners are, in effect, the same entity.

3. On June 7, 1984, the Audit Division, as the result of a second field audit, issued a Notice of Determination and Demand for Payment of Sales and Use Taxes Due against petitioner The McFarlane Corporation f/k/a The Morrill Press assessing a use tax due of \$32,112.98, plus interest of \$3,950.66, for a total amount due of \$36,063.64 for the period December 1, 1981 through March 24, 1984.

4. On June 7, 1984, the Audit Division issued a Notice of Determination and Demand for Payment of Sales and Use Taxes Due against petitioner David McFarlane, Jr., as officer of The McFarlane Corporation, for taxes due of

\$32,112.98, plus interest of \$3,950.66, for a total amount due of \$36,063.64 for the period December 1, 1981 through March 24, 1984.

5. On June 7, 1984, the Audit Division issued a Notice of Determination and Demand for Payment of Sales and Use Taxes Due against petitioner Robert Vaynor, as officer of The McFarlane Corporation, for taxes due of \$32,112.98, plus interest of \$3,950.66, for a total amount due of \$36,063.64 for the period December 1, 1981 through March 24, 1984.

6. On June 7, 1984, the Audit Division issued a Notice of Determination and Demand for Payment of Sales and Use Taxes Due against petitioner Robert Bymaster, as officer of The McFarlane Corporation, for taxes due of \$32,112.98, plus interest of \$3,950.66, for a total amount due of \$36,063.64 for the period December 1, 1981 through March 24, 1984.

7. On June 7, 1984, the Audit Division issued two notices of determination and demand for payment of sales and use taxes due against petitioner The Morrill Press, Inc. as follows:

<u>Notice Number</u>	<u>Total Tax Due</u>	<u>Total Interest Due</u>	<u>Total Amount Due</u>	<u>Period</u>
S840607000S	\$63,336.58	\$29,758.11	\$93,094.69	6/1/78-11/30/81
S840607001S	\$32,112.98	\$ 3,950.66	\$36,063.64	12/1/81-3/24/84

The above notices provided the following explanation:

"The following taxes are determined to be due from The McFarlane Corp. and represents (sic) your liability, as purchaser, in accordance with Section 1141C (sic) of the Tax Law."

8. All of the petitioners herein have timely filed petitions for a hearing to review the aforementioned notices. The petitioners challenge the assessments on the ground that Morrill purchased machinery or equipment from the engraver in the form of a finished plate for use or consumption directly and predominantly in the production of tangible personal property,

which purchase was exempt from use taxes under Tax Law §1115(a)(12). The petitioners further claim that the Audit Division, in its publication entitled "Sales and Use Tax - Industry Guidelines PRINTING AND MAILING INDUSTRY" ("Guidelines"), has recognized that finished printing plates fall within the production exemption.

9. On the other hand, the Audit Division asserted use taxes on the charges made by engravers for Morrill's purchase of finished printing plates on the ground that Morrill purchased taxable services under Tax Law §1105(c)(2) or (3).

10. During the period at issue, Morrill, from its plant located in Fulton, New York, was engaged in the business of printing and producing tangible personal property in the form of flexible packaging materials like wrappers for "M & M" candies and "Nestles Crunch" candy bars for resale to its customers.

11. Morrill printed by using the rotogravure method, which is one of four basic printing methods. The others are offset, letter press and flexographic. Each of the four basic printing methods involves the use of a base or plate cylinder to which a printing plate is attached and the use of the base cylinder with the attached printing plate in a press.

12. Morrill's rotogravure press includes a removable machine part known as a base cylinder which consists of steel tubing in varying circumferences and lengths with journals on either end. A gravure printing plate, sometimes referred to as the "image carrier", is an image-bearing device and piece of equipment which, when inserted in the printing press, rotates and prints the image as ink is applied.

13. Morrill purchased finished printing plates from gravure engravers, all of whom are located outside New York State. The Audit Division assessed a use tax on the charges made by the engravers for the plates.

14. The steps which Morrill follows in purchasing finished printing plates from gravure engravers include the forwarding of a blank base cylinder to the engraver with the mechanical line art, usually supplied by Morrill's customers, which defines the images to be produced. The engraver attaches a thin copper plate to the cylinder, through electrolysis, to achieve a 360 degree print surface so that a continuous image may be printed without any seams or gaps. The ability to print a continuous image is one of the features of gravure printing.

15. The image to be printed is etched by the engraver into the copper plate, utilizing a photo engraving process. Typically, "negatives" are prepared from drawings of image using light sensitive film. By exposing the film to light, the image is transferred to the copper plate. The image is then etched or engraved into the plate using acid. The etching or engraving by the engraver occurs in the surface of the plate rather than in that of the cylinder.

The plate maker or engraver for printing methods other than gravure follows the same basic steps to produce an image on the plate.

16. Because copper is a relatively soft metal which would wear out rapidly, the engraver finishes the gravure plates with chrome.

17. The plates are removable from the cylinders by stripping the plates with the use of a lathe. This is done when a customer no longer wants a particular printed image. Once the plate is removed from a cylinder, the cylinder is reused.

18. A finished gravure printing plate is a tangible piece of property and equipment separate and distinct from the base cylinder. The plates have a useful life of more than one year and Morrill used these plates for many years depending on the number of copies which its customers wanted. Morrill stored the base cylinders with the attached finished plates in a storage room at its plant.

19. The Audit Division's Guidelines provide the following description of printing and gravure printing:

"A. Description of Printing

Printing is a technique of producing an image on a plate and transferring that image to a printing surface. There are several printing techniques which are classified into major divisions according to the manner of producing the image and the way the image is transferred.

* * *

2. Intaglio (gravure) printing

A printing process where the printing area is etched out of, and below, the surrounding non-printing parts. The whole surface is covered with ink, the excess removed, leaving the etched portions filled with ink. When the paper is pressed against the surface, the ink is drawn out and transferred to the stock. Rotogravure, photogravure and color gravure are types of intaglio printing."

20. The Audit Division's Guidelines provide the following definitions:

"Engraving - A plate making process in which the image areas of a plate are recessed, as in gravure. These areas of the paper are thereby embossed (raised).

* * *

Plate - An image bearing device attached to a printing press. Plates are constructed of numerous materials dependent upon the type of press, the number of impressions to be made and the number of printings (reruns). In addition, the materials used in constructing a plate's surface will vary according to the method to be employed in projecting an image on to the plate. (Equipment)

Plate Cylinder - The cylinder to which a printing plate is attached. (Machine part)

21. The Audit Division's Guidelines provide as follows, regarding the production exemption as it pertains to the printing industry:

"In producing printed matter, a printer purchases equipment* (footnote omitted) from various suppliers which is used for the ultimate purpose of making finished plates with images ready for the press.

Finished plates, from which the images are transferred to paper, board, plastic, or other materials, are produced from photographic negatives and positives. The printing process involves the transfer of the image from the finished plate to the final product either by direct impression, as in letterpress printing, or from a finished plate to a blanket and then to the final product, as in lithography. The finished plate is produced by transferring an image to it from a photographic negative or positive. Unless it is anticipated that additional orders for the same copy will be required, the plates, negatives, etc., are destroyed or given to the customer. If additional orders for the same copy are anticipated, the plates are stored, usually by the printer.

- a. Section 1115(a)(12) of the Sales Tax Law exempts machinery and equipment for use or consumption directly and predominantly in the production of tangible personal property for sale. Within the printing industry this exemption will encompass purchases of printing presses, photocomposition machinery, plates, photographs, artwork, drawings, mechanicals, and as of June 1, 1980, composition, typography, and progressive proofs."

22. On March 24, 1984, The Morrill Press, Inc., a Georgia corporation, purchased substantially all of the assets of The McFarlane Corporation f/k/a The Morrill Press for \$3,960,000.00.

23. Included in Morrill's brief are proposed findings of fact numbered one through thirty-two which have been adopted and incorporated into this decision. Morrill's brief also contained proposed conclusions of law. However, under State Administrative Procedure Act §307, the State Tax Commission is not required to rule upon such proposed conclusions of Law.

CONCLUSIONS OF LAW

A. That section 1105(c)(2) of the Tax Law imposes a sales tax on the services of "(p)roducing, fabricating, processing, printing or imprinting tangible personal property, performed for a person who directly or indirectly furnishes the tangible personal property, not purchased by him for resale, upon which such services are performed."

B. That 20 NYCRR 527.4(d) provides the following definition of processing for purposes of the tax imposed under section 1105(c)(2) of the Tax Law:

"(d) Processing. Processing is the performance of any service on tangible personal property for the owner which effects a change in the nature, shape, or form of the property."

C. That section 1110 of the Tax Law imposes a tax on the use of personal property upon which the services described in section 1105(c)(2) have been performed when no sales tax has been paid for the same, and further provides that the use tax is applied against the charges for the service (Mohawk Airlines, Inc. v. Tully, 75 A.D.2d 249).

D. That, notwithstanding the fact that a finished gravure printing plate is a tangible piece of property and equipment separate and distinct from the base cylinder, the charges made by engravers for said plates constitute the purchase of the service of processing tangible personal property pursuant to the meaning and intent of section 1105(c)(2) of the Tax Law (see Imperial Manufacturing Company v. State Tax Commission, 99 A.D.2d 874).

E. That the petitions of The Morrill Press, The McFarlane Corporation, David McFarlane, Jr., Robert Vaynor, Robert Bymaster and The Morrill Press,

Inc. are denied and the notices of determination and demand for payment of sales and use taxes due issued April 27, 1982 and June 7, 1984 are sustained.

DATED: Albany, New York

STATE TAX COMMISSION

OCT 16 1985

Roderick A. Allen
PRESIDENT

Francis R. Konig
COMMISSIONER

W. A. S. J. M.
COMMISSIONER

P 153 387 584

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	<i>David M. Furlong & Co.</i>
Street and No.	<i>The McFarlane Corp</i>
P.O. State and ZIP Code	<i>Fuller NY 13069</i>
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	

P 153 387 585

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	<i>Robert Varnier</i>
Street and No.	<i>McFarlane Corp</i>
P.O. State and ZIP Code	<i>Fuller NY 13069</i>
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	

P 153 387 581

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	<i>The Merrill Press</i>
Street and No.	<i>Marshall Pl.</i>
P.O. State and ZIP Code	<i>Fuller NY 13069</i>
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	

P 153 387 586

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	<i>Robert Varnier</i>
Street and No.	<i>McFarlane Corp</i>
P.O. State and ZIP Code	<i>Fuller NY 13069</i>
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	

P 153 387 582

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	<i>John D. Allen</i>
Street and No.	<i>Don Schrock Long</i>
P.O. State and ZIP Code	<i>One General Center</i>
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	

P 153 387 583

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	<i>McFarlane Corp</i>
Street and No.	<i>Robert E. McFarlane & Co</i>
P.O. State and ZIP Code	<i>Fuller NY 13069</i>
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	

P 153 387 588

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

Sent to <i>Walter Van C. Ansel</i>	
Street and No. <i>Quaker Summer & Quaker</i>	
P.O., State and ZIP Code <i>226 Overlook St.</i>	
Postage <i>Albany NY 13069</i>	
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	

P 153 387 587

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

Sent to <i>Harrell Dress Inc.</i>	
Street and No. <i>Op Englewood Inc.</i>	
P.O., State and ZIP Code <i>2235 Century Pk NE</i>	
Postage <i>Atlanta Ga 30345</i>	
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	