

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of
ELLSWORTH HULTS III, AND ELLSWORTH
HULTS IV, (Individually and as copartners
doing business as HULTS & HULTS) :
For a Redetermination of a Deficiency or
a Refund of Unincorporated Business
Taxes under Article(s) 23 of the
Tax Law for the (Year(s) 1966 :

AFFIDAVIT OF MAILING
OF NOTICE OF DECISION
BY (CERTIFIED) MAIL

State of New York
County of Albany

Martha Funaro , 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 24th day of February , 1972 , she served the within
Notice of Decision (or Determination) by (certified) mail upon Hults & Hults

(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid

wrapper addressed as follows: Hults & Hults
746 Merrick Road
Baldwin, New York 11510

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 Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative
of) 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 February , 1972

Cal. [Signature]

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of
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HULTS IV, (Individually and as copartners
doing business as (HULTS & HULTS) :
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State of New York
County of Albany

Martha Funaro , 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 24th day of February , 19 72, she served the within
Notice of Decision (or Determination) by (certified) mail upon Ralph M. Verni, Esq.

(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid
wrapper addressed as follows: Ralph M. Verni, Esq.
746 Merrick Road
Baldwin, New York 11510

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 Post Office Department within the State of New York.

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of) 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 February , 19 72

Rae Zimmerman

Martha Funaro



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

BUILDING 9, ROOM 214A

STATE CAMPUS

ALBANY, N. Y. 12226

AREA CODE 518

457-2655, 6, 7

STATE TAX COMMISSION

NORMAN F. GALLMAN, ACTING PRESIDENT

A. BRUCE MANLEY

MILTON KOERNER

STATE TAX COMMISSION

HEARING UNIT

EDWARD ROOK

SECRETARY TO

COMMISSION

ADDRESS YOUR REPLY TO

Dated: Albany, New York

February 24, 1972

Hults & Hults
746 Merrick Road
Baldwin, New York 11510

Dear Sirs:

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

Please take further notice that pursuant to **section 722 of**
the Tax Law any proceeding in court to review an adverse decision
must be commenced within **4 Months** after
the date of this notice.

Any inquiries concerning the computation of tax due or refund allowed
in accordance with this decision or concerning any other matter relat-
ing hereto may be addressed to the undersigned. These will be referred
to the proper party for reply.

Very truly yours,


Lawrence A. Newman

HEARING OFFICER

cc Petitioner's Representative
Law Bureau

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition	:	
of	:	
ELLSWORTH HULTS III, AND	:	
ELLSWORTH HULTS IV,	:	DECISION
(Individually and as copartners	:	
doing business as	:	
HULTS & HULTS)	:	
for Redetermination of a Deficiency or	:	
for Refund of Unincorporated Business	:	
Taxes under Article 23 of the Tax Law	:	
for the Year 1966.	:	

Ellsworth Hults III, and Ellsworth Hults IV, (individually and as copartners, doing business as Hults & Hults), petitioned for redetermination of a deficiency or for refund of unincorporated business taxes under Article 23 of the Tax Law for the Year 1966.

A formal hearing was scheduled before Lawrence A. Newman, Hearing Officer, in the offices of the State Tax Commission in the City of New York on July 22, 1971.

Ralph M. Verni, Esq., on behalf of the petitioners, and in lieu of a formal hearing, consented to the issuance of a decision with respect to the issues without the introduction of additional evidence on the part of the petitioners.

ISSUE

Whether the business activities of the partnership constitute the carrying on of an unincorporated business.

FINDINGS OF FACT

1. The petitioners timely filed a New York State partnership return for the year 1966, upon which the petitioners noted their

contention that the partnership was "not subject" to the unincorporated business tax.

2. On September 29, 1969, the Income Tax Bureau issued a Notice of Deficiency, under File numbered P-2175, for the year 1966, in the amount of \$691.30, plus interest.

3. A petition for redetermination was timely filed.

4. The partnership, Hults & Hults, is engaged in a complete and comprehensive audio-visual consulting engineering service. The service includes public address and sound systems, audio systems, intercommunication systems, closed circuit television systems, noise reduction techniques, and rear screen projection systems.

5. The partnership has been engaged in large scale projects requiring design of sound systems, review and approval of shop drawings, supervision of installations, and final testing. In some cases, the costs of modifications or changes after the installation, needed to make the systems function properly, are borne by the partnership. The partnership is required to coordinate its work with the architects and engineers involved in the building construction.

6. Neither partner holds a degree in engineering, and neither partner is licensed as an engineer by the New York State Education Department. Mr. Hults III is a member of the Society of Motion Picture and Television Engineers. Membership in the Society is open to engineers, scientists, teachers and other individuals who have engaged in or contributed to the field of motion picture, television or the allied arts and sciences.

DECISION

A. The business activities of the partnership, Hults & Hults, do not constitute the carrying on of an exempt profession within the meaning and intent of Article 23 of the Tax Law.

B. The business activities of the partnership constitute the carrying on of an unincorporated business, and the income therefrom is subject to the unincorporated business tax.

C. The Notice of Deficiency is sustained, and the petition is denied.

DATED: Albany, New York
February 24, 1972

STATE TAX COMMISSION

Norman Gallen
COMMISSIONER

Bruce Manley
COMMISSIONER

Milton Kerner
COMMISSIONER