

STATE OF NEW YORK  
STATE TAX COMMISSION

In the Matter of the Petition

of

IRVING NAROFF

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

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) 1963, 1964 and:  
1965.

State of New York  
County of Albany

JANET MACK, 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 17th day of March, 1975, she served the within  
Notice of Decision (~~on Redetermination~~) by (certified) mail upon Irving Naroff

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

wrapper addressed as follows: Mr. Irving Naroff  
110-11 Queens Boulevard  
Forest Hills, New York

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

17th day of March, 1975

Katherine D. Manly

Janet Mack

STATE OF NEW YORK  
STATE TAX COMMISSION

In the Matter of the Petition

of

IRVING NAROFF

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) 1963, 1964 and  
1965.

AFFIDAVIT OF MAILING  
OF NOTICE OF DECISION  
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State of New York  
County of Albany

JANET MACK, 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 17th day of March, 1975, she served the within  
Notice of Decision ~~for Redetermination~~ by (certified) mail upon Irving Kushel

(representative of) the petitioner in the within  
proceeding, by enclosing a true copy thereof in a securely sealed postpaid  
wrapper addressed as follows: Mr. Irving Kushel

38 Atlas Avenue  
Malverne, New York 11565

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

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Katherine D. Manly

Janet Mack



STATE OF NEW YORK  
DEPARTMENT OF TAXATION AND FINANCE

STATE TAX COMMISSION  
HEARING UNIT

EDWARD ROOK  
SECRETARY TO  
COMMISSION

STATE TAX COMMISSION  
**Saul Rosenman, Acting President**  
~~XXXXXXXXXXXX~~  
~~XXXXXXXXXXXX~~

BUILDING 9, ROOM 214-A  
STATE CAMPUS  
ALBANY, N.Y. 12227

A. BRUCE MANLEY  
MILTON KOERNER

AREA CODE 518

ADDRESS YOUR REPLY TO

MR. WRIGHT 457-2655  
MR. LEISNER 457-2657  
MR. COBURN 457-2896

**DATED:** Albany, New York  
**March 17, 1975**

**Mr. Irving Haroff**  
**110-11 Queens Boulevard**  
**Forest Hills, New York**

**Dear Mr. Haroff:**

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

Please take further notice that pursuant to  
Section (b) **722** of the Tax Law, any  
proceeding in court to review an adverse deci-  
sion must be commenced within **4 months**  
from 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 relative  
hereto may be addressed to the undersigned.  
These will be referred to the proper party for  
reply.

Very truly yours,

**Nigel G. Wright**  
HEARING OFFICER

Enc.

cc: Petitioner's Representative  
Law Bureau

STATE OF NEW YORK

STATE TAX COMMISSION

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In the Matter of the Petition	:	
of	:	
IRVING NAROFF	:	DECISION
for a Redetermination of a Deficiency	:	
or for Refund of Unincorporated Business	:	
Tax under Article 23 of the Tax Law for	:	
the Years 1963, 1964 and 1965.	:	

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Irving Naroff, 110-11 Queens Boulevard, Forest Hills, New York, filed a petition for the redetermination of a deficiency in unincorporated business tax under Article 23 of the Tax Law for the years 1963, 1964 and 1965. Said deficiency was asserted by a notice issued April 10, 1967, and is in the amount of \$3,065.66 plus interest of \$360.48 for a total of \$3,426.14.

A hearing was duly held on November 20, 1974, at the offices of the State Tax Commission, Two World Trade Center, New York, New York, before Nigel G. Wright, Hearing Officer. The petitioner, was represented by Samuel Gordon, C.P.A., of Leventhall, Krekstein, Harvell & Harvell, C.P.A.'s, who appeared by Irving Kushel of Malverne, New York. The Income Tax Bureau was represented by Saul Heckelman, Esq., appearing by Alexander Weiss, Esq., of counsel. The record of said hearing has been duly examined and considered.

ISSUE

The issue in this case is whether certain salaries received by petitioner are for services which constitute part of an unincorporated business carried on by him.

FINDINGS OF FACT

1. Petitioner has for fifty years worked in the production phase of the garment industry.
2. Petitioner does business under the trade name of Triangle Knitwear Mills at 209-01 Jamaica Avenue, Belleair, Queens, New York. This was formed in 1940 for the knitting, cutting and sewing of garments on a contract basis. During the years here in question, Triangle sent its goods out to Betty Manufacturing Co., Inc. for sewing, pressing and boxing. All or almost all of Triangle's work was done for Chevy Chase Knitwear Mills, Inc.
3. This business filed an unincorporated business tax return.
4. Mr. Naroff is the principal stockholder of Chevy Chase Knitwear Mills, Inc. of 1407 Broadway, New York City. This was formed in 1950 by Mr. Naroff and his son for the manufacture and sales of ladies wear. Chevy Chase maintains only offices and a showroom. It has no manufacturing plant. Its bookkeeping is done by Triangle Knitwear Mills which does not charge separately for this.

Mr. Naroff oversees the sales and purchases of Chevy Chase and generally chooses who they sell to and who they purchase from. He was the comptroller of the corporation. Chevy Chase is the exclusive distributor of goods produced by Triangle Knitwear Mills and Betty Manufacturing Co., Inc. It sells to the major retail stores throughout the country and maintains a stall of salesmen.

5. Betty Manufacturing Co., Inc. of 215 172nd Street, Jamaica, Queens, New York, was formed in 1960 as a wholly owned subsidiary of Chevy Chase. This is engaged in the sewing, finishing and boxing of garments on a contract basis. All or almost all of its work is done for Chevy Chase. It rents its sewing equipment from Triangle Knitwear Mills.

6. Mr. Naroff received a salary from Chevy Chase of \$20,800.00 in 1963, \$21,200.00 in 1964 and \$20,800.00 in 1965.

7. Mr. Naroff received a salary from Betty Manufacturing Co., Inc. of \$5,400.00 in each year here in question.

#### CONCLUSIONS OF LAW

The salaries received by Mr. Naroff are for services which are part of a business regularly carried on by him within the meaning of section 703(b) of the Tax Law.

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The deficiency in issue is correct and is due together with such interest as shall be computed under section 684 of the Tax Law.

DATED: Albany, New York  
March 17, 1975

STATE TAX COMMISSION

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PRESIDENT

  
COMMISSIONER

  
COMMISSIONER