

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

WILLIAM C. RONEY and COMPANY

For a Redetermination of a Deficiency or
a Refund of Unincorporated Business
Taxes under Article (8) 23 of the
Tax Law for the Year (8) 1970.

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

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 29th day of October , 19 75, she served the within

Notice of Decision ~~XXXXXX~~ by (certified) mail upon WILLIAM C. RONEY

and COMPANY

~~XXXXXX~~ the petitioner in the within

proceeding, by enclosing a true copy thereof in a securely sealed postpaid

wrapper addressed as follows: William C. Roney and Company
2 Buhl Building
Detroit, Michigan 48226

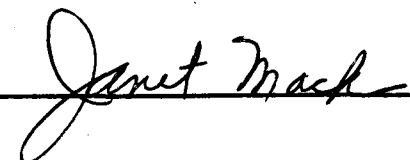
and by depositing same enclosed in a postpaid properly addressed wrapper in a
(post office or official depository) under the exclusive care and custody of
the United States Post Office Department within the State of New York.

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

29th day of October , 1975.







STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

STATE TAX COMMISSION
HEARING UNIT

PAUL GREENBERG
SECRETARY TO
COMMISSION

STATE TAX COMMISSION

JAMES H. TULLY, JR., PRESIDENT
MILTON KOERNER

BUILDING 9, ROOM 107
STATE CAMPUS
ALBANY, N.Y. 12227

AREA CODE 518

ADDRESS YOUR REPLY TO

Mr. Wright
Mr. Coburn
Mr. Leisner

(518) 457-3336

DATED: Albany, New York
October 29, 1975

William C. Roney and Company
2 Buhl Building
Detroit, Michigan 48226

Dear Gentlemen:

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

Please take further notice that pursuant to
Section ~~(3)~~ **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,

L. ROBERT LEISNER
HEARING OFFICER

Enc.

cc: ~~Enclosed for the~~
Law Bureau

AD-1.12 (8/73)

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition	:	
of	:	
WILLIAM C. RONEY and COMPANY	:	DECISION
for Redetermination of a Deficiency	:	
or for Refund of Unincorporated	:	
Business Tax under Article 23 of	:	
the Tax Law for the Year 1970.	:	

Petitioners, William C. Roney and Company, 2 Buhl Building, Detroit, Michigan 48226, petitioned for a redetermination of deficiencies in unincorporated business tax under Article 23 of the Tax Law for the year 1970.

The taxpayers waived a formal hearing and the case was submitted for decision on information contained in the file.

ISSUE

Whether petitioners, William C. Roney and Company, a partnership which did not maintain an office in New York may deduct expenses against Floor Brokerage income on New York State 1970 partnership return?

FINDINGS OF FACT

1. Petitioners, William C. Roney and Company, timely filed New York State partnership return for the year 1970.
2. A Notice of Determination of deficiencies in unincorporated business tax for the year 1970 was issued on March 25, 1974, against the taxpayers under File No. P-3819.
3. The taxpayers petitioned for a redetermination of deficiencies.
4. Petitioners, William C. Roney and Company, are a brokerage firm based in Detroit. Income and expenses which are reported to New York State by petitioners arise from floor brokerage revenue on the respective floors of the A.M.E.X. and N.Y.S.E. and the related expenses necessary to produce that revenue.
5. Petitioners, William C. Roney and Company, started doing business in New York State on January 2, 1970. On New York State 1970 partnership return petitioners deducted New York floor expenses of \$9,160.00.
6. The Income Tax Bureau accepted the expenses deducted for New York State salaries, for booth rental equipment and for telephone expenses. Expenses for items and services such as stationery, liquor and gifts, meals, gratuities, entertainment and travel expenses were not accepted.

7. Petitioners, William C. Roney and Company, failed to submit any proof to substantiate the existence of or the necessity for the expenses which were not accepted.

CONCLUSIONS OF LAW

A. That no substantial documentary proof in the form of cancelled checks, receipts, etc. have been furnished to verify petitioners' claim for expenses deducted from New York State income.

B. Petitioner has not furnished any proof that expenses for items and services such as stationery, liquor and gifts, meals, gratuities, entertainment and travel expenses were ordinary and necessary for the operation of their business and the production of revenue in New York State.

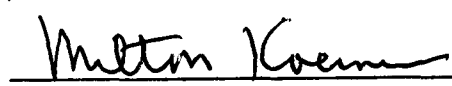
C. Under the circumstances these expenses may not be deducted. Therefore, the petition is denied and the determination of the deficiency in income tax is sustained.

D. Pursuant to the Tax Law, interest shall be added to the total amount due until paid.

DATED: Albany, New York
October 29, 1975

STATE TAX COMMISSION


PRESIDENT


COMMISSIONER

COMMISSIONER