

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

THE SHAFFORD COMPANY

AFFIDAVIT OF MAILING

For a Redetermination of a Deficiency or :
a Revision of a Determination or a Refund :
of Unincorporated Business :
Taxes under Article (X) 23 of the :
Tax Law for the Year(s) ~~XXXX Period(s)~~ :
1965, 1966 & 1967

State of New York
County of Albany

Bruce Batchelor , 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 26 day of April , 19 77, she served the within
Notice of Decision by (certified) mail upon The Shafford Company
~~(representative of)~~ the petitioner in the within proceeding,
by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed
as follows: The Shafford Company
12-01 44th Street
Long Island City, NY 11101
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)~~
~~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

26 day of April , 1977.

Bruce Batchelor

Janet Mack

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

THE SHAFFORD COMPANY

AFFIDAVIT OF MAILING

For a Redetermination of a Deficiency or :
a Revision of a Determination or a Refund :
of Unincorporated Business :
Taxes under Article(s) 23 of the :
Tax Law for the Year(s) ~~on Period(s)~~ :
~~XXXXXXXXXX~~
1965, 1966, 1967

State of New York
County of Albany

Bruce Batchelor , 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 26 day of April , 1977, she served the within
Notice of Decision by (certified) mail upon Joseph Weill, CPA
(representative of) the petitioner in the within proceeding,
by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed
as follows: Joseph Weill, CPA
Siegel & Weill
635 Madison Avenue
New York, New York 10022
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

26 day of April , 1977.

Bruce Batchelor

Janet Mack



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

STATE TAX COMMISSION

TAX APPEALS BUREAU

STATE CAMPUS
ALBANY, N.Y. 12227

April 26, 1977

ADDRESS YOUR REPLY TO

TELEPHONE: (518) **457-1723**

The Shafford Company
12-01 44th Street
Long Island City, NY 11101

Gentlemen:

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

Please take further notice that pursuant to
Section ~~681~~ **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.

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. They
will be referred to the proper party for reply.

Very truly yours,

FRANK J. PUCCIA

**Supervisor of
Small Claims Hearings**

Enc.

cc: Petitioner's Representative:

Joseph Weill, CPA

Siegel & Weill

635 Madison Avenue, New York, New York 10022
Taxing Bureau's Representative:

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition	:	
of	:	
THE SHAFFORD COMPANY	:	DECISION
for a Redetermination of a Deficiency or	:	
for Refund of Unincorporated Business	:	
Taxes under Article 23 of the Tax Law for	:	
the Fiscal Years Ending January 31, 1965,	:	
January 31, 1966 and January 31, 1967.	:	

Petitioner, The Shafford Company, 12-01 44th Street, Long Island City, New York 11101, has filed a petition for a redetermination of a deficiency or for refund of unincorporated business taxes under Article 23 of the Tax Law for the fiscal years ending January 31, 1965, January 31, 1966 and January 31, 1967.

On July 15, 1976 petitioner, The Shafford Company, advised the State Tax Commission in writing that they waived a small claims hearing and requested that the State Tax Commission decide the case upon the entire record contained in the file.

ISSUES

I. Whether petitioner, The Shafford Company, was entitled to an allowance for partners' services, for those partners who were trusts.

II. Can the trustee, being actively engaged in the conduct of business, be allowed a deduction for partners' services?

FINDINGS OF FACT & CONCLUSIONS OF LAW

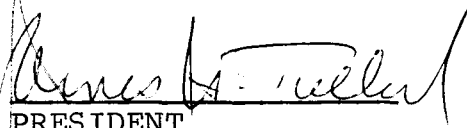
1. That the trust for the benefit of James D. Hartman and the trust for the benefit of Dana L. Hartman (Fryer) were not actively engaged in the unincorporated business, nor did they, or could they, render personal services for the business. That therefore, no allowance for partners' services may be claimed in accordance with the meaning and intent of section 708(a) of the Tax Law.

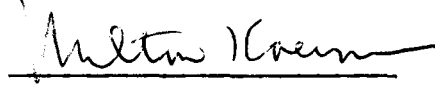
2. That the trustees, Henrietta L. Hartman, Nathaniel P. Kann and George P. Slesinger were not partners of The Shafford Company and; therefore, said company may not claim a deduction on its unincorporated business tax return, for an allowance for partners' services for the services rendered by the trustees.

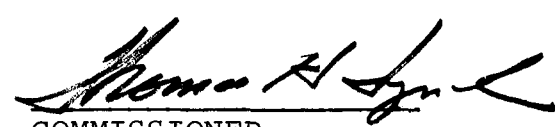
3. That the petition of The Shafford Company is denied, and the Notice of Deficiency dated April 11, 1969 in the amount of \$1,977.27 is sustained.

DATED: Albany, New York
April 26, 1977

STATE TAX COMMISSION


PRESIDENT


COMMISSIONER


COMMISSIONER