

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

HAROLD T. LETSON ASSOCIATES

AFFIDAVIT OF MAILING

For a Redetermination of a Deficiency or :
a Revision of a Determination or a Refund :
of Unincorporated Business :
Taxes under Article ~~13~~ 23 of the :
Tax Law for the Year(s) ~~1971 and 1972~~ :
1971 and 1972

State of New York
County of Albany

John Huhn, being duly sworn, deposes and says that
he is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 14th day of February, 1978, he served the within
Notice of Decision by (certified) mail upon Gordon C. Samoris, Esq.

(representative of) the petitioner in the within proceeding,
by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed
as follows: Gordon C. Samoris, Esq.
187 East Main Street
Huntington, New York 11743

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

14th day of February, 1978.

Janet Mack

John Huhn

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

HAROLD T. LETSON ASSOCIATES

AFFIDAVIT OF MAILING

For a Redetermination of a Deficiency or :
a Revision of a Determination or a Refund :
of Unincorporated Business :
Taxes under Article ~~13~~ 23 of the :
Tax Law for the Year(s) ~~on Period(s)~~ :
1971 and 1972

State of New York
County of Albany

John Huhn , 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 14th day of February , 1978 , ~~she~~ served the within

Notice of Decision by (certified) mail upon Harold T. Letson Associates

~~(representative of)~~ the petitioner in the within proceeding,

by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed

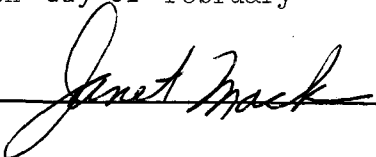
as follows: Harold T. Letson Associates
51 Green Street
Huntington, New York 11743

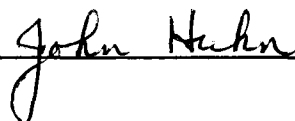
and by depositing same enclosed in a postpaid properly addressed wrapper in a
(post office or official depository) under the exclusive care and custody of
the United States Postal Service within the State of New York.

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

14th day of February , 1978







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

JAMES H. TULLY JR., PRESIDENT
MILTON KOERNER
THOMAS H. LYNCH

February 14, 1978

Harold T. Letson Associates
51 Green Street
Huntington, New York 11743

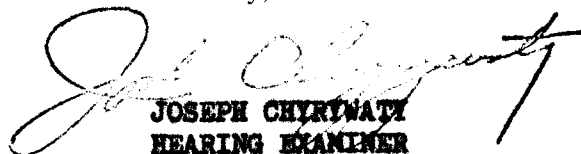
Gentlemen:

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 ~~7~~ **722** of the Tax Law, any proceeding in court to review an adverse decision by the State Tax Commission can only be instituted under Article 78 of the Civil Practice Laws 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 the Deputy Commissioner and Counsel to the New York State Department of Taxation and Finance, Albany, New York 12227. Said inquiries will be referred to the proper authority for reply.

Sincerely,


JOSEPH CHIRVATI
HEARING EXAMINER

cc: Petitioner's Representative

Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of :
HAROLD T. LETSON ASSOCIATES : DECISION
for Redetermination of a Deficiency or for :
Refund of Unincorporated Business Tax :
under Article 23 of the Tax Law for the :
Years 1971 and 1972. :
:

Petitioner, Harold T. Letson Associates, 51 Green Street, Huntington, New York 11743, filed a petition for redetermination of a deficiency or for refund of unincorporated business tax under Article 23 of the Tax Law for the years 1971 and 1972 (File No. 12209).

A small claims hearing was held before Joseph Chyrywaty, Hearing Officer, at the offices of the State Tax Commission, Two World Trade Center, New York, New York, on May 26, 1977 at 10:45 A.M. Petitioner appeared with Gordon Sammis, Esq. The Income Tax Bureau appeared by Peter Crotty, Esq. (Francis Cosgrove, Esq., of counsel).

ISSUE

Whether the activities of petitioner, Harold T. Letson Associates, as municipal planning engineers during the years 1971 and 1972 constituted the practice of a profession exempt from unincorporated business tax.

FINDINGS OF FACT

1. Petitioner, Harold T. Letson Associates, filed New York State partnership returns for the years 1971 and 1972. It claimed exemption from unincorporated business tax for said years.

2. On April 11, 1975, the Income Tax Bureau issued a Notice of Deficiency against Harold T. Letson Associates, on the grounds that the partnership was not carrying on a recognized profession exempt from unincorporated business tax.

3. Partner Harold T. Letson graduated in 1952 from Rutgers University, College of Engineering, with a B.S. degree in city and regional planning. Upon graduation from Rutgers, petitioner continued taking courses on the graduate level, but did not receive a Master's degree.

4. Harold T. Letson was Director of Planning for the town of Huntington from 1963 through the early part of 1969. In May of 1969, he left this employment and with Theodore Prime, formed the partnership of Harold T. Letson Associates. Partner Harold T. Letson was the principal or managing partner of the partnership. However, he also performed independent services for municipalities and clients, and also served as an adjunct professor at a college in New York City.

5. Partner Theodore Prime was licensed by the New York State Education Department to practice engineering. He also maintained his own land-surveying business.

6. The partnership of Harold T. Letson Associates engaged in the business of municipal planning and engineering. It provided services to municipalities and private clients, e.g., by conducting research and analysis and by preparing reports involving detailed studies on rezoning recommendations, land use, community growth, housing quality and racial composition. Occasionally, petitioner presented special studies to municipalities or zoning boards, regarding changes in land use regulations or zoning amendments.

7. Harold T. Letson contended that during the years 1970, 1971 and 1972, more than 80 percent of the partnership's gross income was derived from personal services actually rendered by himself or his associate, that capitol was not a material income producing factor and that 25 percent of the partnership income was derived from services rendered to the town of North Hempstead in Nassau County.

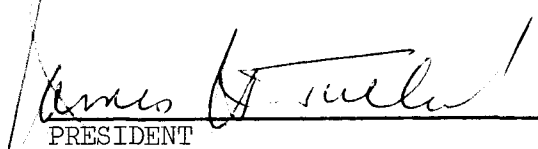
CONCLUSIONS OF LAW

A. That the activities of the partnership, Harold T. Letson Associates, as municipal planning engineers during the years 1971 and 1972, constituted the practice of a profession exempt from the imposition of unincorporated business tax in accordance with the meaning and intent of section 703(c) of the Tax Law.

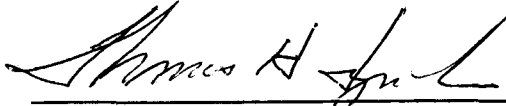
B. That the petition of Harold T. Letson Associates is granted and the Notice of Deficiency issued April 11, 1975 is cancelled.

DATED: Albany, New York
February 14, 1978

STATE TAX COMMISSION


PRESIDENT


COMMISSIONER


COMMISSIONER