

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of :
John J. Conroy :
and William Groark :

for Redetermination of a Deficiency or a Revision :
of a Determination or a Refund of Unincorporated :
Business Tax under Article 23 of the Tax Law :
for the Years 1972 & 1973.

In the Matter of the Petition :
of :
John Conroy :

for Redetermination of a Deficiency or for Refund :
of Personal Income Tax Under Article 22 of the :
Tax Law for the Years 1972 and 1973.

AFFIDAVIT OF MAILING

In the Matter of the Petition :
of :
William Groark and Lorraine Groark :

for Redetermination of a Deficiency or for Refund :
of Personal Income Tax under Article 22 of the :
Tax Law for the Years 1972 and 1973.

State of New York
County of Albany

David Parchuck, 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 6th day of May, 1983, he served the within notice of Decision by certified mail upon John J. Conroy, and William Groark the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

John J. Conroy
and William Groark
2003 Crompond Rd.
Peekskill, NY 10566

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 petitioner

herein and that the address set forth on said wrapper is the last known address of the petitioner.

Sworn to before me this
6th day of May, 1983.

David Parchuck

Connie A. Hagelund

AUTHORIZED TO ADMINISTER
OATHS PURSUANT TO TAX LAW
SECTION 174

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of :
John J. Conroy :
and William Groark :

for Redetermination of a Deficiency or a Revision :
of a Determination or a Refund of Unincorporated :
Business Tax under Article 23 of the Tax Law :
for the Years 1972 & 1973. :

In the Matter of the Petition :
of :
John Conroy :

for Redetermination of a Deficiency or for Refund :
of Personal Income Tax Under Article 22 of the :
Tax Law for the Years 1972 and 1973. :

AFFIDAVIT OF MAILING

In the Matter of the Petition :
of :
William Groark and Lorraine Groark :

for Redetermination of a Deficiency or for Refund :
of Personal Income Tax under Article 22 of the :
Tax Law for the Years 1972 and 1973. :

State of New York
County of Albany

David Parchuck, 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 6th day of May, 1983, he served the within notice of Decision by certified mail upon William F. Conroy the representative of the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

William F. Conroy
c/o Finley, Kumble, Wagner, Heine, Underberg & Casey
425 Park Ave.
New York, NY 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
6th day of May, 1983.

David Parchuck

George A. Haglund

AUTHORIZED TO ADMINISTER
OATHS PURSUANT TO TAX LAW
SECTION 174

STATE TAX COMMISSION

In the Matter of the Petition
of
John Conroy
for Redetermination of a Deficiency or a Revision
of a Determination or a Refund of Personal Income
Tax under Article 22 of the Tax Law for the Years
1972 & 1973.

In the Matter of the Petition
of
William Groark
and Lorraine Groark
for Redetermination of a Deficiency or a Revision
of a Determination or a Refund of Personal Income
Tax under Article 22 of the Tax Law for the Years
1972 & 1973.

David Parchuck, 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 6th day of May, 1983, he served the within notice of Decision by certified mail upon John Conroy, the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

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 petitioner herein and that the address set forth on said wrapper is the last known address of the petitioner.

Sworn to before me this
6th day of May, 1983.

David Parchuck

Connie A. Hagelund

**AUTHORIZED TO ADMINISTER
OATHS PURSUANT TO TAX LAW
SECTION 174**

STATE TAX COMMISSION

AFFIDAVIT OF MAILING

In the Matter of the Petition
of
William Groark
and Lorraine Groark
for Redetermination of a Deficiency or a Revision
of a Determination or a Refund of Personal Income
Tax under Article 22 of the Tax Law for the Years
1972 & 1973.

David Parchuck, 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 6th day of May, 1983, he served the within notice of Decision by certified mail upon William F. Conroy the representative of the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

William F. Conroy
c/o Finley, Kumble, Wagner, Heine, Underberg & Casey
425 Park Ave.
New York, NY 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
6th day of May, 1983.

David Parchuck

Conrad A. Harland

**AUTHORIZED TO ADMINISTER
OATHS PURSUANT TO TAX LAW
SECTION 174**

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

May 6, 1983

John Conroy
2003 Crompond Rd.
Peekskill, NY 10566

Dear Mr. Conroy:

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(s) 690 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:

NYS Dept. Taxation and Finance
Law Bureau - Litigation Unit
Albany, New York 12227
Phone # (518) 457-2070

Very truly yours,

STATE TAX COMMISSION

cc: Petitioner's Representative
William F. Conroy
c/o Finley, Kumble, Wagner, Heine, Underberg & Casey
425 Park Ave.
New York, NY 10022
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition :
of :
John J. Conroy and William Groark :
for Redetermination of a Deficiency or for Refund :
of Unincorporated Business Tax under Article 23 :
of the Tax Law for the Years 1972 and 1973. :

In the Matter of the Petition :
of :
John Conroy :
for Redetermination of a Deficiency or a Revision :
of a Determination or a Refund of Personal Income :
Tax under Article 22 of the Tax Law for the Years :
1972 & 1973. :

In the Matter of the Petition :
of :
William Groark :
and Lorraine Groark : AFFIDAVIT OF MAILING
for Redetermination of a Deficiency or a Revision :
of a Determination or a Refund of Personal Income :
Tax under Article 22 of the Tax Law for the Years :
1972 & 1973. :

State of New York
County of Albany

David Parchuck, 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 6th day of May, 1983, he served the within notice of Decision by certified mail upon William Groark, and Lorraine Groark the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

William Groark
and Lorraine Groark
2003 Crompond Rd.
Peekskill, NY 10566

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 petitioner herein and that the address set forth on said wrapper is the last known address of the petitioner.

Sworn to before me this
6th day of May, 1983.

David Parchuck

Carrie R. Haglund

AUTHORIZED TO ADMINISTER
OATHS PURSUANT TO TAX LAW
SECTION 174

STATE TAX COMMISSION

AFFIDAVIT OF MAILING

In the Matter of the Petition
of
William Groark
and Lorraine Groark

for Redetermination of a Deficiency or a Revision
of a Determination or a Refund of Personal Income
Tax under Article 22 of the Tax Law for the Years
1972 & 1973.

David Parchuck, 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 6th day of May, 1983, he served the within notice of Decision by certified mail upon William F. Conroy the representative of the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

William F. Conroy
c/o Finley, Kumble, Wagner, Heine, Underberg & Casey
425 Park Ave.
New York, NY 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
6th day of May, 1983.

David Parchuck

James A. Haglund

AUTHORIZED TO ADMINISTER
OATHS PURSUANT TO TAX LAW
SECTION 174

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

May 6, 1983

William Groark
and Lorraine Groark
2003 Crompond Rd.
Peekskill, NY 10566

Dear Mr. & Mrs. Groark:

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(s) 690 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:

NYS Dept. Taxation and Finance
Law Bureau - Litigation Unit
Albany, New York 12227
Phone # (518) 457-2070

Very truly yours,

STATE TAX COMMISSION

cc: Petitioner's Representative
William F. Conroy
c/o Finley, Kumble, Wagner, Heine, Underberg & Casey
425 Park Ave.
New York, NY 10022
Taxing Bureau's Representative

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

May 6, 1983

John J. Conroy
and William Groark
2003 Crompond Rd.
Peekskill, NY 10566

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(s) 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:

NYS Dept. Taxation and Finance
Law Bureau - Litigation Unit
Albany, New York 12227
Phone # (518) 457-2070

Very truly yours,

STATE TAX COMMISSION

cc: Petitioner's Representative
William F. Conroy
c/o Finley, Kumble, Wagner, Heine, Underberg & Casey
425 Park Ave.
New York, NY 10022
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition
of
JOHN J. CONROY and WILLIAM GROARK
for Redetermination of a Deficiency or for
Refund of Unincorporated Business Tax under
Article 23 of the Tax Law for the Years 1972
and 1973.

In the Matter of the Petition
of
JOHN CONROY
for Redetermination of a Deficiency or for
Refund of Personal Income Tax under Article 22
of the Tax Law for the Years 1972 and 1973.

In the Matter of the Petition
of
WILLIAM GROARK and LORRAINE GROARK
for Redetermination of a Deficiency or for
Refund of Personal Income Tax under Article 22
of the Tax Law for the Years 1972 and 1973.

DECISION

Petitioners, John J. Conroy and William Groark, 721 Columbus Avenue, New York, New York 10025, John Conroy, 2003 Crompond Road, Peekskill, New York 10566 and William Groark and Lorraine Groark, 2003 Crompond Road, Peekskill, New York 10566, filed petitions for redetermination of deficiencies or for refunds of personal income and unincorporated business taxes under Articles 22 and 23 of the Tax Law for the years 1972 and 1973 (File Nos. 25762, 24827 and 24826).

A consolidated small claims hearing was held before Allen Caplowaith, Hearing Officer, at the offices of the State Tax Commission, Two World Trade Center, New York, New York, on April 26, 1982 at 1:15 P.M. Petitioners appeared with William F. Conroy, Esq. The Audit Division appeared by Paul B. Coburn, Esq. (Anna Colello, Esq., of counsel).

ISSUE

Whether certain adjustments made as the result of a field audit were proper.

FINDINGS OF FACT

1. John J. Conroy and William Groark (hereinafter the partnership) filed a New York State Partnership Return for each of the calendar years 1972 and 1973, whereon it reported the income derived and expenses incurred in the operation of its bar and grill located at 721 Columbus Avenue, New York City. Additionally, each of said returns reported a loss sustained from a second partnership, a hotel owned and operated by petitioners, John Conroy and William Groark, known as "Evergreen Manor", 2003 Crompond Road, Peekskill, New York. Although it was claimed that "Evergreen Manor" filed a separate partnership return for each year at issue, no such returns are contained in the record. Unincorporated business tax was computed and paid by the partnership for both years at issue.

2. Petitioner John Conroy filed a New York State combined income tax return with his wife, Elizabeth Conroy, for each of the years 1972 and 1973, whereon he reported his distributive shares of partnership income. Petitioners, William Groark and Lorraine Groark, filed a joint New York State income tax resident return for each year at issue, whereon Mr. Groark's distributive shares of partnership income were reported.

3. On May 1, 1978, the Audit Division issued a Statement of Audit Changes to the partnership wherein, based on a field audit of the partnership, as well as the individual partners, the following adjustments were made:

	<u>1972</u>	<u>1973</u>
UBT Contributions	\$ 595.00	\$ 710.00
Evergreen Manor Personal Allocations	3,396.00	3,497.00
Cash Purchases (Bar)	1,800.00	-0-
Cash Availability Adjustment (J. Conroy)	6,745.00	811.00
Cash Availability Adjustment (W. Groark)	8,856.00	4,754.00
N.Y.C. Unincorporated Business Taxes	(294.00)	(366.00)
Total Adjustment	<u>\$21,098.00</u>	<u>\$9,406.00</u>

4. On May 1, 1978, statements of audit changes were also issued to petitioners John Conroy and William and Lorraine Groark. Pursuant to said statements, the following adjustments were made:

<u>ADJUSTMENTS TO RETURN OF JOHN CONROY</u>	<u>1972</u>	<u>1973</u>
Evergreen Manor	\$1,698.00	\$1,748.00
Bar Purchases	900.00	-0-
Cash Availability Adjustment	6,745.00	811.00
Modification for U. B. Taxes	265.60	372.37
Interest Income	(158.47)	-0-
Itemized Deductions (Federal Audit)	68.00	
Total Adjustment	<u>\$9,518.13</u>	<u>\$2,931.37</u>

<u>ADJUSTMENTS TO RETURN OF WILLIAM AND LORRAINE GROARK</u>	<u>1972</u>	<u>1973</u>
Evergreen Manor	\$ 1,698.00	\$1,748.00
Bar Purchases	900.00	-0-
Cash Availability Adjustment	8,856.00	4,754.00
Modification for U. B. Taxes	265.60	372.37
Total Adjustment	<u>\$11,719.60</u>	<u>\$6,874.37</u>

5. The following notices of deficiency were issued against the petitioners herein with respect to the aforestated adjustments:

(a) October 13, 1978 - against the partnership, asserting additional unincorporated business tax of \$1,357.08, plus interest of \$528.06, for a total due of \$1,885.14.

(b) October 13, 1978 - against John Conroy, asserting additional personal income tax of \$669.50, plus interest of \$264.78, for a total due of \$934.28.

(c) September 15, 1978 - against William Groark and Lorraine Groark, asserting additional personal income tax of \$891.91, plus interest of \$334.62, for a total due of \$1,226.53.

6. The partnership contested all adjustments set forth in Finding of Fact "3" supra, with the exception of the adjustment allowing credit for New York City unincorporated business taxes. Petitioner John Conroy contested all adjustments set forth in Finding of Fact "4" supra, with the exception of the adjustment allowing a credit to interest income and the adjustment made to itemized deductions. Petitioners William Groark and Lorraine Groark contested all adjustments as set forth in Finding of Fact "4" supra. Although both individual petitioners contested the adjustments for "modification for U.B. Taxes", no evidence or testimony with respect thereto was presented at the hearing held herein.

7. The partnership claimed deductions for contributions made in 1972 and 1973 of \$595.00 and \$710.00 respectively. Petitioner William Groark testified that said contributions represented amounts given to bar patrons for use in various union-related functions, such as dances, parties and quarter or half-page advertisements placed in the journals published by his customers' various unions. No documentation was submitted to establish the extent to which such gifts represented charitable contributions or that such gifts were, in fact, made.

8. The partnership adjustment for "Cash Purchases (Bar)" for 1972 of \$1,800.00 represented cash liquor purchases during a period in 1972 when the

partnership's usual suppliers were on strike. Based on receipts submitted during the hearing, the Audit Division conceded this adjustment.

9. During the years at issue, partners, John Conroy and William Groark, lived with their wives at their hotel "Evergreen Manor". Petitioners, William and Lorraine Groark, had three children residing with them. Petitioner John Conroy has no children. Rooms were rented out in both the main hotel and some outside units. The partnership adjustments labeled "Evergreen Manor Personal Allocations" for 1972 and 1973 of \$3,396.00 and \$3,497.00 respectively, represents the portion of the hotel's expenses deemed personal. Pursuant to the audit workpapers, each partner personally used five rooms out of a total of thirty rooms. Accordingly, one third of the hotel's expenses were disallowed and corresponding adjustments of one half of said amounts were made to the personal returns of each partner. It should be noted that neither meals nor alcoholic beverages were served at the hotel during 1972 and 1973.

10. Petitioners contended that all expenses claimed by Evergreen Manor were properly deductible as ordinary and necessary business expenses since their residence on the hotel premises was essential in order to manage the hotel to the best advantage of the partnership.

11. The cash availability adjustments for John Conroy of \$6,745.00 (1972) and \$811.00 (1973) and William Groark of \$8,856.00 (1972) and \$4,754.00 (1973) were computed using the source and application of funds method in conjunction with a cost of living analysis.

12. During the hearing petitioner John Conroy submitted documentation evidencing his receipt of social security payments during a portion of 1972. However, no documentation was submitted to establish the amount received and he testified that he "didn't remember" the amount of benefits received. Pursuant

to the audit workpapers, credit was not given for social security payments as a source of funds.

13. On September 27, 1972, petitioners, William and Lorraine Groark, withdrew \$500.00 from their savings account at Peekskill Savings Bank. They claimed that this money was used for personal living expenses. Credit was not given for said withdrawal as a source of funds. Accordingly, the Audit Division conceded this item.

14. Petitioners William and Lorraine Groark submitted documentation evidencing receipt of a medical expense reimbursement of \$220.00 on January 12, 1972. Credit was not given for said reimbursement as a source of funds.

15. Petitioners, William and Lorraine Groark, contended that they received checks for \$200.00 and \$300.00 during 1972. They claimed that such amounts represented reimbursements for expenses incurred for a corneal transplant operation performed on petitioner William Groark during 1971. The check stubs submitted to evidence said claim show neither the name of the recipient, nor the date of issuance.

16. The cash availability adjustments were comprised in part of amounts added for "cash expense for Evergreen (net)". Petitioners took exception to this addition; however, their entire argument with respect to this adjustment was that it was "unsupported".

17. Petitioner Lorraine Groark rendered detailed testimony with respect to her and Mr. Groark's personal living expenses incurred during the years at issue herein.

18. Elizabeth Conroy rendered detailed testimony with respect to her and Mr. Conroy's personal living expenses incurred during the years at issue herein.

19. The cost of living analysis computed for petitioners used estimated amounts for each individual type of expense since petitioners failed to provide adequate information with respect to same during the initial audit.

20. Included in petitioner's brief were proposed findings of fact, as to which this Commission makes the following rulings:

a) Proposed findings 1, 7, 14, 15, 16 and 18 are adopted and have been incorporated into this decision.

b) Proposed findings 2,3, 4, 6, 8, 9, 12, 13, 17 and 22 are rejected as not being established by the evidence.

c) Proposed findings 10, 11, 19, 20, 21 and 23 are rejected as being conclusory in nature.

d) Proposed finding 5 is rejected as being irrelevant to the years at issue herein.

CONCLUSIONS OF LAW

A. That the partnership has failed to sustain its burden of proof required pursuant to sections 689(e) and 722 of the Tax Law to show that it has made bona fide charitable contributions during the years 1972 and 1973. Accordingly, the adjustments disallowing such claimed deductions of \$595.00 for 1972 and \$710.00 for 1973 are sustained.

B. That the partnership adjustment for "Cash Purchases (Bar)" for 1972 of \$1,800.00, as well as the corresponding adjustments flowing therefrom to the individual partners of \$900.00 each, are cancelled based on the concession of the Audit Division.

C. That the partnership adjustments "Evergreen Manor Personal Allocations" for 1972 and 1973 of \$3,396.00 and \$3,497.00 respectively, as well as the corresponding adjustments flowing therefrom to the individual partners in

amounts equal to one half of said adjustments, are sustained since such adjustments represent the personal portions of the expenses claimed for Evergreen Manor. (Commissioner v. Robinson, 273 F.2d 503 (3d Cir. 1959), cert. denied, 363 U.S. 810.)

D. That credit as a source of funds for social security payments is not properly allowed to petitioner John Conroy for taxable year 1972 since he had not established the amount of such benefits received (Finding of Fact "12" supra).

E. That credit is properly allowed, as a source of funds, for \$500.00 withdrawn by petitioners William and Lorraine Groark from their personal savings account on September 27, 1972 as conceded by the Audit Division.

F. That credit is properly allowed, as a source of funds, for a medical expense reimbursement received by petitioners William and Lorraine Groark on January 12, 1972.

G. That credit as a source of funds for additional medical expense reimbursements of \$200.00 and \$300.00 (Finding of Fact "15", supra) is not properly allowed to petitioners William and Lorraine Groark for 1972 since they have failed to establish the date such amounts were paid or that they were, in fact, the recipients of such amounts.

H. That the additions for "cash expense for Evergreen (net)", incorporated into the cash availability adjustments made for petitioners, John Conroy and William and Lorraine Groark (Finding of Fact "16", supra), are hereby sustained.

I. That based on the detailed testimony rendered by Lorraine Groark, the personal living expenses of William and Lorraine Groark, as estimated by the Audit Division, are reduced as follows:

<u>Expense</u>	<u>As Estimated by Audit Division</u>		<u>Per Hearing</u>	
	<u>1972</u>	<u>1973</u>	<u>1972</u>	<u>1973</u>
Outside Meals	\$1,000.00	\$1,000.00	\$600.00	\$600.00
Transportation (car fare)	300.00	300.00	100.00	100.00
Recreation - Entertainment	800.00	800.00	300.00	300.00
Vacation - Travel	1,200.00	1,200.00	500.00	500.00
Beauty Parlor, Toiletries	300.00	300.00	100.00	100.00
Jewelry, Furs, Etc.	300.00	300.00	200.00	200.00
Personal, Tobacco, Liquor	714.89	151.23	400.00	151.23

Those expenses not specifically mentioned above are sustained in the amounts estimated by the Audit Division per cost of living analysis.

J. That based on the detailed testimony rendered by Elizabeth Conroy, the personal living expenses of John and Elizabeth Conroy, as estimated by the Audit Division, are reduced as follows:

<u>Expense</u>	<u>As Estimated by Audit Division</u>		<u>Per Hearing</u>	
	<u>1972</u>	<u>1973</u>	<u>1972</u>	<u>1973</u>
Food	\$2,600.00	\$2,600.00	\$1,560.00	\$1,560.00
Outside Meals	1,000.00	1,000.00	500.00	500.00
Clothing	500.00	500.00	250.00	250.00
Laundry - Dry Cleaning	120.00	120.00	60.00	60.00
Transportation (car fare)	200.00	200.00	100.00	100.00
Recreation - Entertainment	500.00	500.00	200.00	200.00
Vacation - Travel	1,000.00	1,000.00	1,000.00	250.00
Personal, Tobacco, Liquor	854.38	333.33	400.00	333.33
Beauty Parlor, Toiletries	200.00	200.00	100.00	100.00
Jewelry, Furs, Etc.	200.00	200.00	-0-	-0-

Those expenses not specifically mentioned above are sustained in the amounts estimated by the Audit Division per cost of living analysis.

K. That the adjustments for "Modification for U. B. Taxes" made to the personal returns of petitioners, John Conroy and William and Lorraine Groark, are sustained since petitioners failed to show that said adjustments were improper or erroneous.

L. That the petitions of John J. Conroy and William Groark, John Conroy, and William Groark and Lorraine Groark are granted to the extent provided in Conclusions of Law "B", "E", "F", "I" and "J", supra; and, except as so granted, said petitions are, in all other respects, denied.

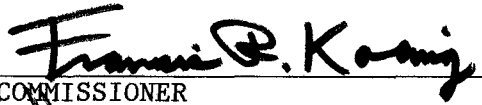
M. That the Audit Division is hereby directed to modify the three notices of deficiency at issue to be consistent with the decision rendered herein.

DATED: Albany, New York

STATE TAX COMMISSION

MAY 06 1983


PRESIDENT


COMMISSIONER


COMMISSIONER