

STATE OF NEW YORK
STATE TAX COMMISSION

*Income Tax
Letter*

*Vigilante,
Vincent*

1970

In the Matter of the Petition

of

VINCENT P. VIGILANTE

For a Redetermination of a Deficiency or
a Refund of Personal Income
Taxes under Article(s) 16 of the
Tax Law for the (Year(s) 1957

AFFIDAVIT OF MAILING
OF NOTICE OF DECISION
BY (~~REGISTERED~~) MAIL

State of New York
County of Albany

Margaret Ann Wood, 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 9th day of March, 1970, she served the within
Notice of ~~Redetermination~~ (or Determination) by (~~certified~~) mail upon Vincent P.

Vigilante (~~representative of~~) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid
wrapper addressed as follows: Mr. Vincent P. Vigilante
3602 Avenue L
Brooklyn, New York 11210

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

9th day of March, 1970.

Frank Wright

Margaret Ann Wood

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Application	:	
of	:	
VINCENT P. VIGILANTE	:	DETERMINATION
For Revision or Refund of Personal	:	
Income taxes under Article 16 of the	:	
Tax Law for the Year 1957	:	

The taxpayer having filed applications pursuant to Tax Law Section 374 for revision or refund of Personal Income tax imposed by Article 16 of the Tax Law for the Year 1957 under an assessment dated October 15, 1959 and a further assessment dated October 2, 1961, and such applications having been denied and a hearing thereon having been duly demanded and held before Vincent P. Molineaux, Hearing Officer and the record having been duly examined and considered,

The State Tax Commission hereby

FINDS:

1. On his 1957 return, timely filed on April 15, 1958, the taxpayer reported a capital gain of \$6,500 indicated as the amount received on sale of 10 shares of Citywide Family Sales Corp. Taxpayer filed no return for 1958 claiming to be a resident of Florida for the entire year.

2. The Commission adopts the findings filed July 7, 1966 of the United States Tax Court to the following effect:

On July 20, 1957, the other shareholders in Citywide Family Sales Corp. agreed orally to purchase taxpayer's interest for the sum of \$25,000. A down payment of \$6,500 was to be made on or before October 1, 1957, \$5,500 was to be paid before January 1, 1958 and \$13,000 was to be paid in monthly installments of \$1,000

each beginning in January 1958. A written agreement was prepared which showed the consideration to be only \$6,500 because of certain plans of the purchaser concerning the source of funds for payment. The taxpayer received in 1957 only the \$6,500 cash payment and the notes. Taxpayer gave up attempts to collect the \$5,500 payment sometime in January 1958. The notes for \$13,000 were all paid in 1958 (*Vigilante v. C.I.R.* 1966 T.C. memo No. 161).

3. Assessment No. B-676994 dated October 15, 1959 increased the capital gain shown on the taxpayer's return by \$13,000 to \$19,500. The taxpayer protested on October 28, 1959 that the \$13,000 was received in 1958 when he was a resident of Florida.

4. Assessment No. B-982507 dated October 2, 1961, but mailed September 9, 1963, asserted that the \$13,000 in notes due in 1958 and the \$5,000 due in 1957 represented back salary and further that \$769.60 was received by the taxpayer as dividends from Citywide Family Sales Corp. This assessment also made conforming adjustments in the taxpayer's medical deduction and gave credit for the assessment of October 15, 1959.

5. Applications for revision or refund of both assessments were received on November 12, 1963 and were denied on April 20, 1964. The late filing of the application was put in issue with respect to the first assessment. Demand for a hearing was made on May 14, 1964.

6. At the hearing the first assessment was not put in issue. Since the taxpayer filed no. 1958 return, the \$13,000 in issue was never reported to New York State as accrued income upon his alleged change in residence (See Tax Law Sec. 367-a) in 1958.

7. With regard to the second assessment; taxpayer denied receiving the asserted dividends and no other evidence with respect thereto was forthcoming. The assertion of back pay is directly contrary to the findings of fact in *Vigilante v. CIR* (1966 T.C. memo No. 161).

Based upon the foregoing findings and all of the evidence herein,

The State Tax Commission hereby

DETERMINES:

A. The protest and application with respect to the first assessment, even if timely made, were abandoned at the hearing.


B. The second assessment for the year 1957 was timely made within six years after the return was filed (Tax Law Sec. 373(1) as amended by Laws of 1958, chap. 403) since the asserted understatement of income was over 25% of the gross income or capital gain shown on the return without regard to any increase shown on the first assessment (compare *Goldring v. C.I.R.*, T.C. 79).

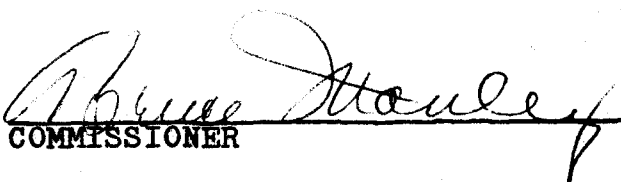
C. The application for revision or refund with respect to the assessment of October 2, 1961, is granted and the assessment is cancelled in full. The application for revision or refund with respect to the assessment of October 15, 1959, in the amount of \$440.00 is denied and the assessment is affirmed together with such additional charges and interest, if any, as may be due under Tax Law Section 377(3).

Dated: Albany, New York

STATE TAX COMMISSION

March 9, 1970


PRESIDENT


COMMISSIONER


COMMISSIONER