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STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

WILLIAM G. & DOROTHY LYTLE

For a Redetermination of a Deficiency or
a Refund of Personal Income
Taxes under Article(s) 22 of the
Tax Law for the (Year(s) 1960

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

State of New York
County of Albany

Martha Funaro , 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 7th day of March , 1973 , she served the within Notice of Decision (or Determination) by (certified) mail upon William G. & Dorothy Lytle (representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: William G. & Dorothy Lytle
2119 Parker Boulevard
Tonawanda, New York 14150

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

7th day of March , 1973

Lynn Wilson

Martha Funaro

STATE OF NEW YORK
STATE TAX COMMISSION

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of
WILLIAM G. & DOROTHY LYTLE

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Tax Law for the (Year(s) 1960

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

State of New York
County of Albany

Martha Funaro , 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 7th day of March , 1973, she served the within
Notice of Decision (or Determination) by (certified) mail upon Harold Fein, Esq.

(representative of) the petitioner in the within
proceeding, by enclosing a true copy thereof in a securely sealed postpaid

wrapper addressed as follows: Harold Fein, Esq.
135 Delaware Avenue
Buffalo, New York 14202

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

7th day of March , 1973.

Lynn Wilson

Martha Funaro



STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

BUILDING 9, ROOM 214A
STATE CAMPUS

ALBANY, N. Y. 12227

AREA CODE 518
457-2655, 6, 7

STATE TAX COMMISSION

NORMAN F. GALLMAN, PRESIDENT
A. BRUCE MANLEY
MILTON KOERNER

STATE TAX COMMISSION
HEARING UNIT

EDWARD ROOK
SECRETARY TO
COMMISSION

ADDRESS YOUR REPLY TO

Dated: Albany, New York

March 7, 1973

William G. & Dorothy Lytle
2119 Parker Boulevard
Tonawanda, New York 14150

Dear Mr. & Mrs. Lytle:

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

Please take further notice that pursuant to **section 690 of**
the Tax Law any proceeding in court to review an adverse decision
must be commenced within **4 Months** after
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 relat-
ing 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

cc Petitioner's Representative
Law Bureau

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition	:	
	:	
of	:	
	:	
WILLIAM G. & DOROTHY LYTL	:	DECISION
for Redetermination or Refund of Personal	:	
Income Taxes under Article 22 of the Tax	:	
Law for the year 1960.	:	
	:	

The taxpayers applied for redetermination or for refund of Personal Income Taxes under Article 22 of the Tax Law for the year 1960. A formal hearing was held at the State Office Building in Buffalo, New York, before Hearing Officer, L. Robert Leisner.

The taxpayers appeared through Harold Fein, Esq., and the Income Tax Bureau was represented by Edward H. Best, Esq., (Alexander Weiss, Esq., of Counsel).

FINDINGS OF FACT

1. Notice of assessment under File No. 8468468 for the year 1960 was issued on June 7, 1967. A demand for a hearing was timely filed.

2. The assessment was based on a notice of change in taxable income by the United States Treasury Department. The assessment also proposed the addition of a 50% penalty.

3. The taxpayers challenged the addition of a 50% penalty in their petition.

4. The taxpayers were new in the real estate business, inexperienced with business methods, and bookkeeping procedures. They confused real estate escrow accounts with their own business accounts. Taxpayers acted in good faith in endeavoring to file true and honest returns.

5. The only evidence in support of the 50% penalty proposed in this case is the notice of federal changes.

6. The federal changes in evidence, were settled, prior to court proceedings, for undisclosed reasons.

CONCLUSIONS OF LAW

A. The deficiencies in taxes asserted for the year 1960 is sustained.

B. The evidence is insufficient to support the assertion of the 50% penalty.

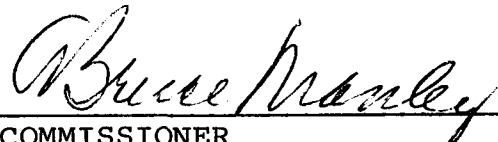
C. The penalty asserted is cancelled and abated.

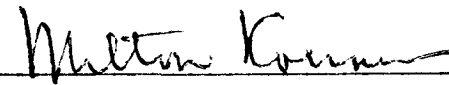
D. Pursuant to the Tax Law, interest on the tax shall be added to the total amount due until the date of payment.

DATED: Albany, New York
March 7, 1973

STATE TAX COMMISSION


COMMISSIONER


COMMISSIONER


COMMISSIONER