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STATE OF NEW YORK  
STATE TAX COMMISSION

In the Matter of the Petition

of

GERALD M. GROSOFF and MIRIAM S. GROSOFF

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

For a Redetermination of a Deficiency or  
a Refund of Personal Income  
Taxes under Article ~~(x)~~ 22 of the  
Tax Law for the Year(s) 1963 and 1964.:

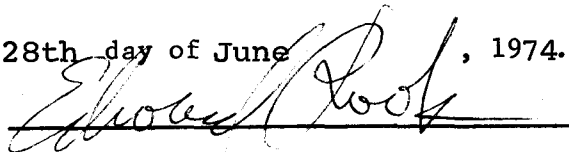
State of New York  
County of Albany

Joyce Van Patten, 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 28th day of June, 1974, she served the within Notice of Decision (or Determination) by (certified) mail upon Gerald M. Grosof and Miriam S. Grosof ~~RESPONSE TO PETITION~~ the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Mr. & Mrs. Gerald M. Grosof  
875 West End Avenue  
New York, New York 10025  
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

28th day of June, 1974.





STATE OF NEW YORK  
STATE TAX COMMISSION

In the Matter of the Petition

of

GERALD M. GROSOFF and MIRIAM S. GROSOFF

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

For a Redetermination of a Deficiency or  
a Refund of Personal Income  
Taxes under Article (2) 22 of the  
Tax Law for the Year(s) 1963 and 1964.

State of New York  
County of Albany

Joyce Van Patten, 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 28th day of June, 1974, she served the within  
Notice of Decision (or Determination) by (certified) mail upon Andrew P. Davis,  
Esq. (representative of) the petitioner in the within

proceeding, by enclosing a true copy thereof in a securely sealed postpaid  
wrapper addressed as follows: Andrew P. Davis, Esq.

Davis & Davis

116 John Street

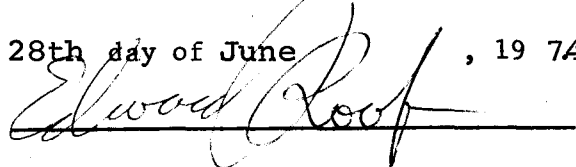
New York, New York 10038

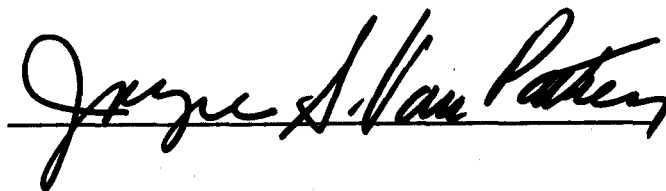
and by depositing same enclosed in a postpaid properly addressed wrapper in a  
(post office or official depository) under the exclusive care and custody of  
the United States Post Office Department within the State of New York.

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

28th day of June, 1974







STATE OF NEW YORK  
DEPARTMENT OF TAXATION AND FINANCE

STATE TAX COMMISSION  
HEARING UNIT

EDWARD ROOK  
SECRETARY TO  
COMMISSION

STATE TAX COMMISSION

MARIO A. PROCACCINO, PRESIDENT  
A. BRUCE MANLEY  
MILTON KOERNER

BUILDING 9, ROOM 214-A  
STATE CAMPUS  
ALBANY, N.Y. 12227

AREA CODE 518

ADDRESS YOUR REPLY TO

MR. WRIGHT 457-2655  
MR. LEISNER 457-2657  
MR. COBURN 457-2896

**DATED:** Albany, New York  
June 28, 1974

**Mr. & Mrs. Gerald M. Grosf**  
**875 West End Avenue**  
**New York, New York 10025**

**Dear Mr. & Mrs. Grosf:**

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 deci-  
sion must be commenced within **4 months**  
from 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 relative  
hereto may be addressed to the undersigned.  
These will be referred to the proper party for  
reply.

Very truly yours,

**Nigel G. Wright**  
HEARING OFFICER

Enc.

cc: Petitioner's Representative  
Law Bureau

STATE OF NEW YORK

STATE TAX COMMISSION

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In the Matter of the Petition :  
of :  
GERALD M. GROSOFF and MIRIAM S. GROSOFF : DECISION  
for Redetermination of Deficiency or :  
for Refund of Personal Income Tax :  
under Article 22 of the Tax Law for :  
the Years 1963 and 1964. :

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Gerald M. Grosof and Miriam S. Grosof filed a petition pursuant to section 689 of the Tax Law for redetermination of deficiency in personal income tax under Article 22 of the Tax Law for the years 1963 and 1964. A hearing was held on September 17, 1968, at the offices of the State Tax Commission, 80 Centre Street, New York City, before Evelyn King, Hearing Officer. Petitioner, Gerald M. Grosof, appeared in person and was represented by Andrew Davis, Esq.

The record of this hearing has been duly examined and considered.

ISSUES

The primary issue in this case is whether fellowship awards received by petitioner, Miriam S. Grosof, for the years 1963 and 1964, was exempt or was properly included in the gross income by the Income Tax Bureau for the years in question.

Secondary issue is the propriety of other deductions and business expenses claimed by petitioners for the year 1964.

FINDINGS OF FACT

1. Petitioner, Miriam S. Grosof, was a full-time student at Yeshiva University, New York City, working for her Ph.D. in mathematics during 1963 and 1964. Petitioner had indicated an intention to pursue a career in college teaching. During the years in issue, petitioner received stipends from graduate assistantships awarded

her by Belfer Graduate School of Science, Yeshiva University, and also from the National Science Foundation Summer Fellowship for Graduate Teaching Assistants. These stipends totaled \$3,600.00 for 1963 and \$4,219.98 for 1964. As part of petitioner's training for the Ph.D. it was recommended by the Mathematics Department that she teach a college course during each year. The teaching is not required of all students for Ph.D.'s but is recommended where appropriate. Her stipends would not have been reduced if she refused to teach. It is conceded, however, by petitioner and as indicated on an open letter from Belfer Graduate School of Science that of the \$3,600.00 received during 1963, \$200.00 of that amount was received as payment for teaching a second class and should be included in gross income. As for 1964, of the \$4,219.98 received in stipends, petitioners concede that \$1,100.00 of that amount should be included in their gross income.

2. Petitioners concede that the deduction for motor vehicle registration and operator licenses which amounted to \$18.50 claimed in 1964, was improper.

3. Petitioner, Gerald M. Grosf, was a medical physicist and together with his wife, who was a mathematician, maintained a library of several thousand technical books which they used for reference. Depreciation was taken on these books for a 10 year life. An estimate was taken on the value of the books and circumstances described at the hearing indicate that \$200.00 was a reasonable deduction for depreciation. A Federal audit of petitioners' 1961 tax return did not contest a similar depreciation taken for books in that prior year.

4. Petitioner, Gerald M. Grosf, was employed full-time during 1964, as a Director of Physics at the Zaret Foundation. This company did medical research centered around medical application of the laser. Petitioner also performed part-time services for Samson Associates, Inc., which maintained offices at 270 Park Avenue, New York City and

851 Welsh Road in Palo Alto, California. Petitioner had organized this corporation with another physicist. It was primarily a consulting company for business and financial institutions and employed about 35 persons. Petitioner was a part owner and creditor of Samson Associates, Inc. He received no remuneration for his services in 1964, since the corporation had had a loss and petitioner was trying to build up the capital of the company. Samson Associates, Inc., provided no office space for petitioner and he, therefore, used a room in his six room apartment at 875 West End Avenue, New York City, as his office. The \$651.60 deduction claimed in 1964 consisted one-sixth of approximately \$3,000.00 of rent, plus \$2.00 a month for electricity and \$12.50 a month for a maid.

5. An amount of \$27.85 was claimed as unreimbursed business expenses which included travel to a directors meeting and meals with clients. Petitioner, Gerald M. Grosf, read off diary entries for 1964, which substantiated the amount claimed.

#### CONCLUSIONS OF LAW

A. The stipends received by petitioner, Miriam S. Grosf, during 1963 and 1964, amounting to \$3,400.00 and \$3,119.98, from Yeshiva University and National Science Foundation, respectively, is exempt income and is to be excluded from gross income for 1963 and 1964. Though petitioner was advised to teach a college course, as training for her Ph.D., it was not required and the amount received would not have been reduced if she refused to teach. An amount of \$200.00 for 1963 and \$1,100.00 for 1964 received by petitioner for teaching a second class is conceded to be income includible in gross income.

B. It is conceded by petitioner that the deduction amounting to \$18.50 for motor vehicle registration and operators licenses was not proper. It is, therefore, properly disallowed.

C. Depreciation of \$200.00 claimed on library of technical books used for reference by petitioners is a reasonable amount and is to be allowed.

D. An amount of \$651.60 for business rent and miscellaneous expenses represents a one-sixth share of his home expenses for a home office is reasonable and is to be allowed. Diary entries and testimony at the hearing substantiates \$27.85 claimed for meals with clients and business travel and is to be allowed.


DECISION

The deficiency, plus interest, is recomputed to be \$106.55.  
In all other respects the petition is denied.

DATED: Albany, New York  
June 28, 1974

STATE TAX COMMISSION

  
COMMISSIONER

  
COMMISSIONER

  
COMMISSIONER