

DEPARTMENT OF TAXATION AND FINANCE

MEMORANDUM

Tax Council
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TO : Commissioner Procaccino
Attention Mr. Rook

FROM : Jacob Bodian

OFFICE: Income Tax Bureau

DATE : June 24, 1974

SUBJECT: Raymond Loewy William Snaith, Inc. ID#13-1596570
Raymond Loewy William Snaith Associates ID#13-1510873

Request for Abatement of Withholding Tax Delinquency
Penalty Assessments for Years 1970 to 1974

The taxpayers' representative, Mr. Abraham Eletz, has requested abatement of penalty assessments issued to the subject corporations for late filing of withholding tax returns for the above periods. The representative attributed the late filing to computer startup problems, serious illnesses of the accountant and a principal of the firms and noted that it would be a severe hardship for the taxpayers to pay the penalties.

As shown in the attached file, the delinquency penalty amounts in question are as follows:

<u>Year</u>	<u>#13-1596570 (Inc.)</u>	<u>#13-1510873 (Associates)</u>
1970	(Abated)	\$ 3,549.22
1971	(Abated)	12,114.48
1972	\$1,276.95	5,208.58
1973	7,196.57	9,446.72 - of this amount, \$1911.43 has been paid.
1974	<u>1,702.80</u>	<u>514.70</u>
	<u>\$10,176.32</u>	<u>\$30,833.70</u>

In my opinion, the extended duration of the delinquencies do not justify the requested abatement of penalties. The taxpayers have not shown that the late filing of withholding tax returns was due to reasonable causes and not due to willful neglect.

However, as the State Tax Commission has abated penalty assessments issued to Raymond Loewy William Snaith, Inc. for years 1970-1971 (see attachment), I recommend abatement of the penalty assessments issued to Raymond Loewy William Snaith Associates for years 1970-1971 in the amount of \$15,663.70. The two firms are under the same management and the mitigating factor of computer startup problems applied with equal force to both entities.

If you agree with the recommendation for abatement of penalty assessments for years 1970-1971, please refer the matter to the State Tax Commission for approval, pursuant to Memo E-94.1.

JB:MDH
Attachment

Approved
William Procaccino
7-10-74

Approved
William Kocimur
6/26/74

Approved
William
7/8/74

Jacob Bodian
Jacob Bodian
Assistant Director

