

STATE OF NEW YORK  
STATE TAX COMMISSION

In the Matter of the Petition

of

HOWARD P. and JACQUELINE K. ARONSON

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) 1969 & 1970.

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

State of New York  
County of Albany

Janet Mack, 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 16th day of April, 1976, she served the within Notice of Decision (~~of Determination~~) by (certified) mail upon Howard P. and Jacqueline Aronson (~~representative of~~) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Mr. & Mrs. Howard P. Aronson  
McClees Road  
Locust, New Jersey 07760  
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~~ (of) petitioner herein and that the address set forth on said wrapper is the last known address of the (~~representative of the~~) petitioner.

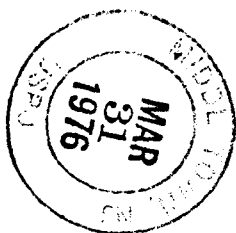
Sworn to before me this

16th day of April, 1976.

Mary J. Proff

Janet Mack

55 #  
131-14-3731  
W 10-2-1976



2222  
Mr. [unclear] RA  
[unclear] L. [unclear]



STATE OF NEW YORK  
STATE TAX COMMISSION

In the Matter of the Petition

of

HOWARD P. and JACQUELINE K. ARONSON

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 ~~(3)~~ 22 of the  
Tax Law for the Year(s) 1969 & 1970.

State of New York  
County of Albany

JANET MACK

, being duly sworn, deposes and says that

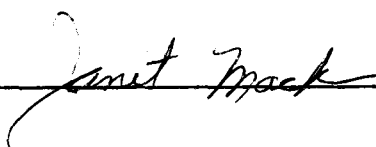
she is an employee of the Department of Taxation and Finance, over 18 years of  
age, and that on the 29th day of March, 1976, she served the within  
Notice of Decision (~~on Redetermination~~) by (certified) mail upon Howard P. and  
Jacqueline K. Aronson (~~representative of~~) the petitioner in the within  
proceeding, by enclosing a true copy thereof in a securely sealed postpaid  
wrapper addressed as follows: Mr. & Mrs. Howard P. Aronson  
70 Dwight Road  
Middletown, New Jersey 07748

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

29th day of March, 1976

  
\_\_\_\_\_



STATE OF NEW YORK  
DEPARTMENT OF TAXATION AND FINANCE

STATE TAX COMMISSION

BUILDING 9, ROOM 107  
STATE CAMPUS  
ALBANY, N.Y. 12227

AREA CODE 518

STATE TAX COMMISSION  
HEARING UNIT

PAUL GREENBERG  
SECRETARY TO  
COMMISSION

ADDRESS YOUR REPLY TO

MR. WRIGHT  
MR. COBURN  
MR. LEISNER

(518) 457-3850

**DATED:** Albany, New York  
March 29, 1976

Mr. & Mrs. Howard P. Aronson  
70 Dwight Road  
Middletown, New Jersey 07748

**Dear Mr. & Mrs. Aronson:**

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

Please take further notice that pursuant to  
Section ~~(s)~~ 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,

  
**Paul B. Coburn**  
**Supervising Tax**  
**HEARING OFFICER**

Enc.

cc: ~~XXXXXXXXXXXXXXXXXXXX~~  
Law Bureau

STATE OF NEW YORK

STATE TAX COMMISSION

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|                                       |   |          |
|---------------------------------------|---|----------|
| In the Matter of the Petition         | : |          |
| of                                    | : |          |
| HOWARD P. AND JACQUELINE K. ARONSON   | : | DECISION |
| for a Redetermination of a Deficiency | : |          |
| or for Refund of Personal Income Tax  | : |          |
| under Article 22 of the Tax Law for   | : |          |
| the Years 1969 and 1970.              | : |          |
|                                       | : |          |

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Howard P. and Jacqueline K. Aronson, 70 Dwight Road, Middletown, New Jersey 07748, filed a petition under section 689 of the Tax Law for the redetermination of a deficiency in personal income tax and Article 22 of the Tax Law for the years 1969 and 1970. (File No. 0-53405524.) Said deficiency is in the amount of \$2,419.01 plus interest of \$333.55 for a total of \$2,752.56.

A hearing was duly held before Nigel G. Wright, Hearing Officer, on August 7, 1975, at the offices of the State Tax Commission, Two World Trade Center, New York, New York.

The Income Tax Bureau was represented by Saul Heckelman, Esq., appearing by Alexander Weiss, Esq., of counsel.

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

ISSUE

The issue in this case is whether petitioners, non-residents, can allocate to out-of-state sources a distributable share of the income of a partnership.

FINDINGS OF FACT

1. Petitioners during the years in question resided in Middletown, New Jersey. They are non-residents of New York.

2. Mr. Howard P. Aronson is a certified public accountant; during the years in question he was a member of the partnership Stanley Katz & Co. (he left that firm in May, 1975).

3. Stanley Katz & Co. has three partners and about seven employed accountants. It maintains an office located at 270 Madison Avenue, New York City. It does not have a listing for any other office.

4. Mr. Aronson uses one room in his house for business purposes. He uses this room to keep files, client records, and tax services. He did occasionally see clients there but he does not have any kind of listing or sign indicating his home is a business office of either himself or the partnership.

5. For both 1969 and 1970 Stanley Katz & Co. filed New York State partnership returns. These were filed under an extension of time but neither indicated any interstate allocation of income. For both years Mr. Aronson has submitted what purport to be amended returns for the partnership. These returns are neither signed nor dated. They both show an interstate allocation ratio of 87% for 1969 and 88% for 1970. Mr. Aronson testifies that such percentages represent the firm's cash receipts for only the work performed physically in New York State. They do not include work physically performed outside of New York. The firm's work performed outside of New York stems primarily from the activities of Mr. Aronson. The other two partners of the firm are New York residents.

6(a). Mr. Aronson, and his wife, filed New York personal income tax returns for 1969 and 1970 showing the total amounts received from the partnership as allocated between New York and other states. Those allocations were prepared on the basis of the number of work days Mr. Aronson spent at his New Jersey home. For 1969, the New York allocation is 219/255 and for 1970 it is 211/253.

6(b). Mr. Aronson, at the hearing asserts the right to allocate on the basis of the partnership's allocation ratio.

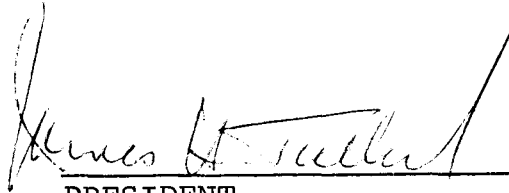
CONCLUSIONS OF LAW

The petitioners have no right to allocate the distribution of partnership income to out-of-state sources. The partnership income is itself wholly attributable to New York as the partnership itself has no office outside of the State. The home of Mr. Aronson is not an office of the partnership.

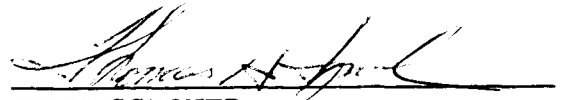
The deficiency is correct and is due together with such additional interest as shall be computed under section 684 of the Tax Law.

DATED: Albany, New York  
March 29, 1976

STATE TAX COMMISSION

  
PRESIDENT

  
COMMISSIONER

  
COMMISSIONER