

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition :
of
Claude L. Edge, Jr. :
for Redetermination of a Deficiency or a Revision :
of a Determination or a Refund of
Personal Income Tax :
under Article 22 of the Tax Law
for the Year 1974. :

AFFIDAVIT OF MAILING

State of New York
County of Albany

Jay Vredenburg, being duly sworn, deposes and says that he is an employee of the Department of Taxation and Finance, over 18 years of age, and that on the 11th day of April, 1980, he served the within notice of Decision by certified mail upon Claude L. Edge, Jr., the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

Claude L. Edge, Jr.
910 Reed Ln.
Auburn, CA 95603

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 Postal Service within the State of New York.

That deponent further says that the said addressee is the petitioner herein and that the address set forth on said wrapper is the last known address of the petitioner.

Sworn to before me this
11th day of April, 1980.

Joanne Knapp

[Signature]

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition :
of
Claude L. Edge, Jr. :

AFFIDAVIT OF MAILING

for Redetermination of a Deficiency or a Revision :
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Personal Income Tax :
under Article 22 of the Tax Law
for the Year 1974. :

State of New York
County of Albany

Jay Vredenburg, being duly sworn, deposes and says that he is an employee of the Department of Taxation and Finance, over 18 years of age, and that on the 11th day of April, 1980, he served the within notice of Decision by certified mail upon Alexander D. Sioris the representative of the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows:

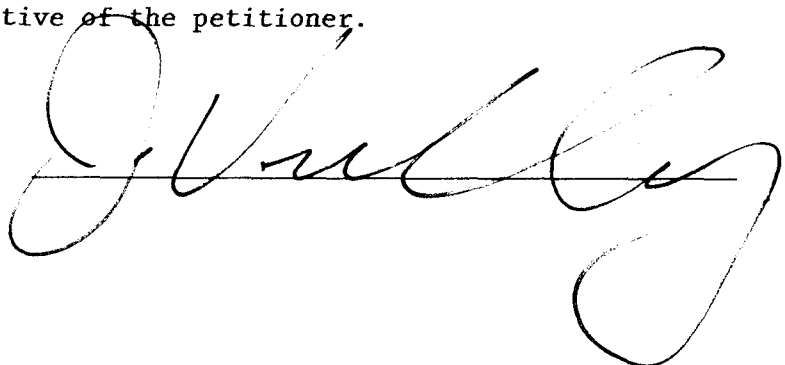
Mr. Alexander D. Sioris
25 W. 43rd St.
New York, NY 10036

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 Postal Service within the State of New York.

That deponent further says that the said addressee is the representative of the 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
11th day of April, 1980.

Joanne Knapp



STATE OF NEW YORK
STATE TAX COMMISSION
ALBANY, NEW YORK 12227

April 11, 1980

Claude L. Edge, Jr.
910 Reed Ln.
Auburn, CA 95603

Dear Mr. Edge:

Please take notice of the Decision of the State Tax Commission enclosed herewith.

You have now exhausted your right of review at the administrative level. Pursuant to section(s) 690 of the Tax Law, any proceeding in court to review an adverse decision by the State Tax Commission can only be instituted under Article 78 of the Civil Practice Laws and Rules, and must be commenced in the Supreme Court of the State of New York, Albany County, within 4 months from the date of this notice.

Inquiries concerning the computation of tax due or refund allowed in accordance with this decision may be addressed to:

NYS Dept. Taxation and Finance
Deputy Commissioner and Counsel
Albany, New York 12227
Phone # (518) 457-6240

Very truly yours,

STATE TAX COMMISSION

cc: Petitioner's Representative
Alexander D. Sioris
25 W. 43rd St.
New York, NY 10036
Taxing Bureau's Representative

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition	:	
	:	
of	:	
	:	
CLAUDE L. EDGE, JR.	:	DECISION
	:	
for Redetermination of a Deficiency or	:	
for Refund of Personal Income Tax under	:	
Article 22 of the Tax Law for the Year	:	
1974.	:	

Petitioner, Claude L. Edge, Jr., 910 Reed Lane, Auburn, California 95603, filed a petition for redetermination of a deficiency or for refund of personal income tax under Article 22 of the Tax Law for the year 1974 (File No. 17138).

A small claims hearing was held before Carl P. Wright, Hearing Officer, at the offices of the State Tax Commission, Building #9, State Campus, Albany, New York, on December 12, 1978 at 1:15 P.M. Petitioner appeared by Alexander D. Sioris, Esq. The Audit Division appeared by Peter Crotty, Esq. (Kathy L. Sanderson and Barry M. Bresler, Esqs., of counsel).

ISSUE

Whether the bonus received by petitioner, in connection with a National Association of Professional Baseball Leagues Uniform Player Contract, is taxable to New York State.

FINDINGS OF FACT

1. Petitioner, Claude L. Edge, Jr., filed a New York State Income Tax Nonresident Return for 1974. On this return, he reported wages of \$1,150.00 taxable to New York State.

2. On October 10, 1975, a Statement of Audit Changes was issued against petitioner, imposing additional income tax for the year 1974, on the grounds that since a bonus received by petitioner was paid in consideration of future

services to be performed as a baseball player and all services during 1974 were in New York State, the bonus was fully taxable to New York State. Accordingly, the Audit Division issued a Notice of Deficiency dated November 22, 1976 for \$1,630.04 personal income tax, plus interest of \$221.54, less overpayment on return of \$6.70, for a total due of \$1,844.88.

3. During 1974, petitioner was a resident of California.

4. On June 10, 1974, in California, petitioner executed a contract with Newark-Wayne Community Baseball, Inc. to play on their team during the 1974 baseball season. A form entitled "National Association of Professional Baseball Leagues, Uniform Players Contract" was used for this purpose.

Pursuant to the contract, petitioner received a bonus of \$23,750.00, on signing the contract and on approval of this contract by the President of the National Association. Petitioner received an additional sum of \$23,750.00 on June 1, 1975, bringing the total bonus to \$47,500.00.

5. Petitioner agreed to make himself and his services exclusively available to the Newark-Wayne Community Baseball Club.

6. The Newark-Wayne Community Baseball Club is located within New York State. During 1974, petitioner performed no services for Newark-Wayne Community Baseball Club outside New York State.

7. During 1974, petitioner received wages of \$500.00 per month while playing for the Newark-Wayne Community Baseball Club.

8. Petitioner contended that prior to signing the contract, he had a University of California football scholarship and the bonus was intended to establish a fund for petitioner's future college education and to compensate him for his ineligibility to participate in college athletics.

CONCLUSIONS OF LAW

A. That the payment of the bonus by Newark-Wayne Community Baseball Club

was to induce petitioner to play on the club's team. The contract was the instrument by which petitioner's services were received. That the situs where the contract was signed or where the bonus was received is immaterial.

B. That the sum of \$23,750.00 received by petitioner from the Newark-Wayne Community Baseball, Inc. during 1974, was income derived from or connected with New York sources within the meaning and intent of section 632 of the Tax Law and was therefore subject to New York State income tax.

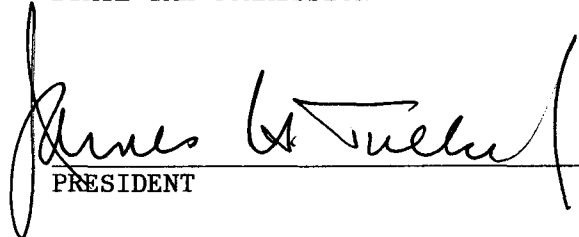
C. That petitioner performed no services out of necessity as distinguished from convenience for his employer outside the State of New York in 1974. The bonus therefore is fully taxable to New York State.

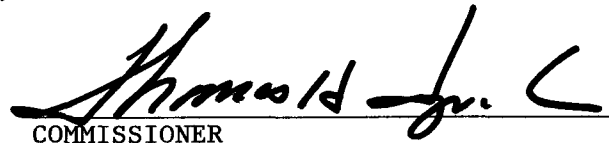
D. That the petition of Claude L. Edge, Jr. is denied and the Notice of Deficiency issued November 22, 1976, is sustained together with such interest as may be lawfully owing.

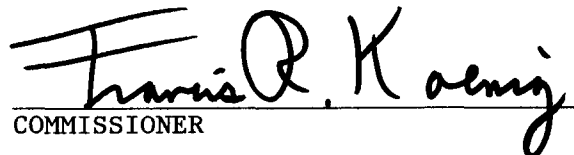
DATED: Albany, New York

APR 11 1980

STATE TAX COMMISSION


PRESIDENT


COMMISSIONER


COMMISSIONER