

**North Haven Health & Racquet, LLC**  
**100 Elm St**  
**North Haven, CT 06473**

State Senator Len Fasano  
Legislative Office Building  
Room 3400  
Hartford, CT 06106

Re: Letter from DOL needed

Dear Senator Fasano,

I have met you in the past. I am a past president of the New Haven Homebuilders' Association.  
I and my siblings own the following businesses:

North Haven Health & Racquet – North Haven, CT  
Franklin Construction, LLC – New Haven, CT  
Saybrook Point Inn, LLC – Old Saybrook, CT  
Saybrook Point Marina, LLC – Old Saybrook, CT

Our problem is simple. We need a letter from the Department of Labor which DOL refuses to give.

The problem arose as follows:

1974 - Louis F. Tagliatela d/b/a Court Club registered with the IRS with EIN 06-1126224

2000 – North Haven Health & Racquet, LLC was registered with the IRS with EIN 06-0914357

**These companies are the same.**

My father, Louis F. Tagliatela, Sr, simply transformed the company into an LLC.

2011 – Federal Form 940 erroneously filed under EIN 06-1126224

The IRS has charged \$34,000 in interest and penalties due the confusion in EIN's.

In order to correct this problem we need the CT DOL to certify for the IRS that the two EIN's represent the same business entity.

Gary Girard (860-263-6550) of CT DOL acknowledges that North Haven Health & Racquet, LLC is the successor entity to Court Club. He understands the issue but refuses to give the certification.

Clearly this is government at its worse. We are simply trying to clarify a clerical error which is costing us \$34,000.

The person who can best answer questions about this problem is my controller, Chuck Craig 203-624-4196 x 106, [chuck@tagcos.com](mailto:chuck@tagcos.com). He and I have our offices located at our corporate offices at Franklin Enterprises, 1621 State Street, New Haven, CT 06511.

Respectfully,

*Lou*

Louis F. Tagliatela Jr.

[loutagjr@yahoo.com](mailto:loutagjr@yahoo.com)

PS. There are, of course, more details to this bureaucratic confusion.

These detail don't change the basic facts but I am enclosing for further explanation letters written by:

Joanne Blanck, the CPA who does our taxes.

Chuck Craig, our Controller.

# *Blumenthal Squire & Blanck*

CERTIFIED PUBLIC ACCOUNTANTS  
VICTORIAN HOUSE OFFICE BUILDING  
2494 WHITNEY AVENUE  
HAMDEN, CONNECTICUT 06518

MYRON BLUMENTHAL, C.P.A. (1951-1993)  
MARTIN H. SQUIRE, C.P.A.  
JOANNE E. BLANCK, C.P.A.

November 10, 2014  
AREA CODE 203  
230-3587  
TELECOPIER  
230-3571

Internal Revenue Service  
Cincinnati Service Center  
FUTA Unit  
Fax # 859-669-7169; 17 pages

RE: Louis F Tagliatela-Court Club  
EIN 06-1126224  
Form 940 – Tax Year 2011

## TO WHOM IT MAY CONCERN

I am writing with regard to an assessment of FUTA liability, penalties and interest on the above-named entity for the 2011 tax year.

I enclose the following as requested by IRS rep # 0144742 in a phone call on Oct 3<sup>rd</sup>:  
Form 2848 for Louis F Tagliatela - Court Club EIN 06-1126224  
Form 2848 for North Haven Health & Racquet LLC EIN 06-0914357  
Form 56 (resubmitted) for the Estate of Louis F Tagliatela Sr identifying Louis F Tagliatela Jr as Fiduciary. Form 56 originally submitted did not cover payroll/employment tax matters and IRS requested a revised form be filed.

Attached is previous correspondence from my client's controller dated March 24, 2014 explaining the history of this company. Most important to note is this: although there are two names and two EIN's assigned, there is and always has been only one entity. The company originated in 1974 as a sole proprietorship and became a single-member limited liability company in August, 2000. At all times this company was owned solely by Louis F. Tagliatela, Sr. Mr. Tagliatela Sr. died on January 16, 2014.

According to IRS Pub. 3402 a single-member LLC that is classified as a disregarded entity for income tax purposes is treated as a separate entity for purposes of employment tax. For wages paid after January 1, 2009 the single-member LLC is required to use its name and EIN for reporting and payment of employment taxes.

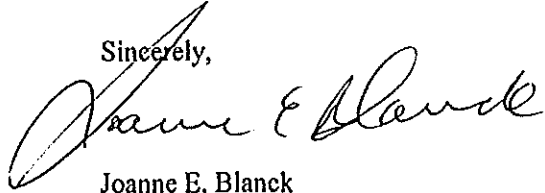
The 2011 Form 940 was filed erroneously using the name Louis F. Tagliatela Gen Ptr, EIN 06-1126224, which is the original name and number of the sole proprietorship. The Form 940 should have been filed under North Haven Health & Racquet LLC, EIN 06-0914357. Accordingly, I have enclosed an amended Form 940 reporting all wages under the correct EIN 06-0914357. This corresponds with the State of Conn. certification of unemployment account (Conn DOL registration #92-254-04) which IRS refers to in notice dated Sept 8, 2014 (copy enclosed).

In summary, regardless of the name and/or EIN under which the federal and state employment tax returns were originally filed, the facts are these: there is only one employer entity paying wages; all state unemployment tax contributions were timely paid as required; timely payment of all required state

tax; the federal unemployment tax per the amended Form 940 submitted herewith (and the original Form 940) is the correct amount of liability and was timely paid. Disallowance of the 5.4% credit results in a significant erroneous and inequitable assessment against taxpayer. Accordingly, I respectfully request removal of the assessment of FUTA liability under EIN 06-1126224.

Please advise if further information is required.

Sincerely,

A handwritten signature in black ink, appearing to read "Joanne E. Blanck". The signature is written in a cursive style with a large initial "J" and "B".

Joanne E. Blanck  
Certified Public Accountant



NORTH HAVEN  
**Health & Racquet**  
A FAMILY SPORTS AND FITNESS CENTER

March 24, 2014

100 ELM STREET, NORTH HAVEN, CT 06473  
(203) 239-5665

Internal Revenue Service  
P.O. Box  
Cincinnati, OH 45250-5500

Re: Reply Reference: 0264201697  
Case Identification Number 2769666  
Louis F Tagliatela Gen Ptr – Court Club  
Taxpayer Identification Number: 06-1126224  
Period Ending 12/31/2011 – Form 940

To whom it may concern:

We are in receipt of your Notice proposing a Federal Unemployment Tax (FUTA) increase because of information received from the State of Connecticut dated February 18, 2014. We apologize for the delayed response but we had given this issue to our Third-party payroll processor and thought that the issue had been resolved. We terminated services with the payroll processor over a year ago and were not aware that they had failed to act, or failed to notify us of their inability to resolve the issue.

Unfortunately there is no short answer that will fully explain why this has happened, so please bear with me. The reporting entity "Louis F Tagliatela Gen Ptr" was formed as a sole proprietorship in 1974. The establishment immediately hired employees and commenced operations as a multi-purpose Tennis and Fitness facility. A F.E.I.N was applied for and issued (06-1126224) and has been used by this entity for the past 40 years in reporting payroll, payroll taxes, and Business Income and Expenses on Schedule C of the sole proprietor.

During August, 2000 the proprietor organized the operations as a "Single member LLC" in the name of North Haven Health & Racquet, LLC and applied for a F.E.I.N under this name. The number (06-0914357) was issued. However, since single member LLC's are a "disregarded entity" for income tax purposes, the taxpayer continued to report the income and expenses of this entity on his Schedule C using his previous ID number. He also continued to report payroll and payroll tax deposits using the old entity name and ID number.

This method of reporting and depositing taxes continued without having any issues until the entity "North Haven Health & Racquet, LLC applied for a "Payment for Specified Energy Property in Lieu of Credit" under Section 1603 (B) of the American Recovery and Reinvestment Act of 2009 during September of 2009. Prior to applying, we were required to register with the Central Contractor Registration (CCR) in order to receive payments from the U.S. Government.

The registration initially failed because Dun & Bradstreet (which we had to register with to be assigned a DUNS number as required by the CCR) did not recognize the F.E.I.N. (06-0914357) for the applicant North Haven Health & Racquet, LLC. Several attempts to resolve the ID number failed and as a last resort we contacted the "Cincinnati Entity Department" of the IRS during December, 2009. On January 8, 2010, the IRS issued a letter (reference 0223456862) establishing the 06-0914357 as the proper F.E.I.N for the North Haven Health & Racquet, LLC entity. However, we continued to report payroll and payroll tax deposits using the Louis F Tagliatela Gen Ptr – Court Club entity and its ID # 06-1126224.

I spoke with the Connecticut Labor Department's Unemployment Compensation Unit on Friday, March, 21, 2014 regarding the issue and requested State recertification of the Payrolls and Unemployment Compensation premiums paid to the State. After explaining the entity and ID # issues, the examiner said that they could recertify the payrolls but that they would be certifying the payrolls of the entity with the ID # 06-0914357. Although all of our filings and payments to the state have been reported under the Louis F Tagliatela Gen Ptr entity and its ID number, the State, upon receiving a copy from the IRS of the aforementioned letter from the Cincinnati Entity Unit of the IRS, changed their records to indicate the LLC entity and the LLC's ID #.

I'm including copies of our 940, Quarterly State UC filings, Reports from our Third-Party payroll processor showing payments made, a copy of the Cincinnati Entity Department letter, as well as a copy of the IRS notice. We respectfully request withdrawal of the Proposed Increase in tax because we have paid all applicable State and Federal Payroll taxes as the attached documentation indicates. We would appreciate advice on how best to resolve this issue with regards to future years.

Very truly yours



Charles M. Craig  
Controller