**STATE BOARD OF EQUALIZATION MEETING**
5901 Green Valley Circle, Room 207, Culver City
July 17-18, 2013

**NOTICE AND AGENDA**
Meeting Agenda (as of 7/17/2013, 09:30 AM)

**Agenda Changes**

Webcast on Wednesday, July 17, 2013

Wednesday, July 17, 2013

9:30 a.m. **Board Meeting Convenes**

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board’s Chair may modify the order of the items on the agenda. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

**Board Meeting**

A. Homeowner and Renter Property Tax Assistance Appeals Hearings
   There are no items for this matter.

B. **Corporate Franchise and Personal Income Tax Appeals Hearings**
   (Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

   **B1.** John P. Martin, 614001 +
   For Appellant: Ernest S. Ryder, Attorney
   Alfred J. Waldchen, Attorney
   For Franchise Tax Board: Jaclyn Appleby, Tax Counsel
   Michael Cornez, Tax Counsel

   **B2.** Ned Yamin and Haideh Yamin, 603221 +
   For Appellants: Gary Slavett, Attorney
   For Franchise Tax Board: Raul Escatel, Tax Counsel
   David Gemmingeren, Tax Counsel

   **B3.** Carlos Castaneda and Michelle Castaneda, 626196 +
   For Appellants: Carlos Castaneda, Taxpayer
   For Franchise Tax Board: Marguerite Mosnier, Tax Counsel
   Diane Ewing, Tax Counsel
B4. Victor H. Boyd, 575575 +
For Claimant: Victor H. Boyd, Taxpayer
Hugh M. Saddlington, Representative
For Franchise Tax Board: Jaclyn Appleby, Tax Counsel
Michael Cornez, Tax Counsel

B5. Myles D. Hubers and Michelle R. Hubers, 534595 +
For Appellants: Marc S. Schechter, Attorney
Elizabeth Van Clief, Attorney
For Franchise Tax Board: Roman Johnston, Tax Counsel
Michael Cornez, Tax Counsel

B6. Vincent J. Maranto and Susan L. Maranto, 612999 +
For Appellants: James G. LeBloch, Attorney
For Franchise Tax Board: Marguerite Mosnier, Tax Counsel
Diane Ewing, Tax Counsel

B7. Extra Inning Events, LLC, 577047 +
For Claimant: Waived Appearance
For Franchise Tax Board: Karen Smith, Tax Counsel
Diane Ewing, Tax Counsel

B8. Cheryl Martin, 595044 +
For Appellant: Waived Appearance
For Franchise Tax Board: Eric Yadao, Tax Counsel
Diane Ewing, Tax Counsel

B9. Craig Norton, 693097 +
For Appellant: Craig Norton, Taxpayer
For Franchise Tax Board: Eric Yadao, Tax Counsel
Diane Ewing, Tax Counsel

B10. Daxius Donald Gregory, 625150 +
For Appellant: Daxius Gregory, Taxpayer
For Franchise Tax Board: Eric Yadao, Tax Counsel
Karen Smith, Tax Counsel

C. Sales and Use Tax Appeals Hearings
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

C1a. Ibrahim Said Mekhail, 445466, 473541 (AA) +
C1b. Ibrahim Said Mekhail, 445467, 473537 (AA) +
C1c. Ibrahim Said Mekhail, 445468, 473540 (AA) +
C1d. Ibrahim Said Mekhail, 475476, 524559 (AS) +
C1e. Ibrahim Said Mekhail, 475478, 524544 (AS) +
C1f. Ibrahim Said Mekhail, 475481 (AP) +
C1g. Ibrahim Said Mekhail, 473538 (AP) +
C1h. Ibrahim Said Mekhail, 473539 (AS) +
For Taxpayer: Sam White, Representative
For Department: Scott Lambert, Hearing Representative
C2. Mark Jeffrey Freed, 554113 (AC) +
For Petitioner: Waived Appearance
For Department: Scott Lambert, Hearing Representative

For Petitioner: Waived Appearance
For Department: Erin Dendorfer, Tax Counsel

C4. William G. Morschauser, 225366, 255762, 341121, 530753 (AP) +
For Petitioner/Claimant: William G. Morschauser, Taxpayer
Ivan Vuich, Witness
Lilly Sandoval, Witness
Abaigael Strid, Witness
Lauren Abernathy, Witness
Candice Nessmith, Witness
Carisa Johnston, Witness
Lonnie Angeles, Witness
Anjuli Bhambhani, Witness
Elizabeth Miniszewski, Witness
Kelly Alexander, Witness
Sami Marzougui, Witness
James Pulver, Witness
Tom Borgatta, Witness
Eugene Anderson, Witness
Glenn Johnson, Witness
John Himes, Witness
Roger Nelson, Witness
Gus Echeverriio, Witness
Robert Lennon, Witness
Ian Foster (Bevintel), Witness
For Department: Scott Lambert, Hearing Representative

C5. Jose Agustin Fernandez, 549411, 553265 (AR) +
For Petitioner: Jose Fernandez, Taxpayer
For Department: Marc Alviso, Hearing Representative

C6. Rafael Eduardo Delgado and Alexander Orantes, 549061 (AC) +
For Petitioners: Rafael Eduardo Delgado, Taxpayer
For Department: Marc Alviso, Hearing Representative

C7. Irvine Photo Graphics, Inc., 557007 (EA) +
For Petitioner: Richard Farrell, Taxpayer
Karen Beckingham, Representative
For Department: Scott Claremon, Tax Counsel

There are no items for the following matters:
D. Special Taxes Appeals Hearings
E. Property Tax Appeals Hearings
F. Public Hearings

F1. Business Taxpayers’ Bill of Rights Hearings

Individuals have the opportunity to present their ideas, concerns, and recommendations regarding legislation, the quality of agency services, and other issues related to the Board’s administration of its tax programs, including sales and use taxes, environmental fees, fuel taxes, and excise taxes, and any problems identified in the Taxpayers' Rights Advocate's Annual Report+.

F2. Property Taxpayers’ Bill of Rights Hearings

Individuals have the opportunity to present their ideas, concerns, and recommendations regarding legislation, the quality of agency services, and other issues related to the Board’s administration of its tax programs, including state and county property tax programs, and any problems identified in the Taxpayers' Rights Advocate’s Annual Report+.

G. Tax Program Nonappearance Matters – Consent

(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

G1. Legal Appeals Matters

- Hearing Notices Sent – No Response
  1. 420 For The People Cooperative, Inc., 572745 (AC)
  2a. Nyoka Edy, 563276 (STF)
  2b. Nyoka Edy, 563277 (STF)
  3. Mohammad Faraz Islam, 482373 (EH)
  4a. Kimmy’s Investments, Inc., 553251 (EA)
  4b. Pho Kimmy, Inc., 553906 (EA)
  4c. Sau Thi Vu, 554321 (EA)
  5. Vivian T. Lam, 553915 (AP)
  6. M & W Home Sales, Inc., 550542 (EH)
  7. James Arthur Mariani, 479529 (EH)
  8. Palomino Motors, Inc., 495671 (EA)
  9. Luis Fernando Rodriguez, 547500 (AA)
  10. Robert Jay Sharp, Jr., 588206 (UT)
  11. David Turner, 553045 (FH)
  12. Kenny Wang and Le Nguyet To, 561881 (AA)

- Petitions for Release of Seized Property
  13. Hong Thu Nguyen, 722819 (STF)
  14. Jaspreet S. Dhillon, 709648 (STF)

- Petitions for Rehearing
  15. Café 976, LLC, 479006, 504670 (FH)
  16. Rafael Wholesale & Distributor, Inc., 530276 (AA)
G2. Franchise and Income Tax Matters .............................................. Mr. Thompson
   ➢ Hearing Notice Sent – No Response
     1. Deanne F. Deaville, 640307

   ➢ Decisions
     2. Neil K. Aragaki, 609635
     3. Ronnell Areta, 569052
     4. N. Art Astor and Antonia Astor, 578492
     5. Tammy Barnett, 593585
     6. Robert Beck, 599564
     7. Phillip M. Berry, 599629
     8. Big Guy, LLC, 585860
     9. Homero De Jesus, 601064
    10. Jean-Pierre de St. Croix, 601267
    11. Noelle E. Forbes, 601390
    12. William C. Foxley and Katherine Foxley, 570368
    13. Catherine Giesecke, 349311
    14. Bintu Y. Guy, 592428
    15. Richard J. Heckmann and Mary M. Heckmann, 361517
    16. Donald J. Hunt and Marian C. Hunt, 589291
    17. Shahrouz Jahanshahi, 600977
    18. Gavin Keith and Karen Keith, 600594
    19. Jason Kowalski, 588431
    20. Jacob La France, 571877
    21. Yutian Lei, 601021
    22. Elizabeth Luna, 564993
    23. Raj Kumar Malik, 600867
    24. George Marcussen, 587069
    25. Alberto R. Martinez, 601804
    26. Alfredo Mendoza, 575960
    27. Brandon Quintana and Sallie Boggan, 601821
    28. Stephen P. Rader and Anne W. Rader, 354285
    29. Sandalwood Debt Fund B, LP, 597421
    30. Ho B. Song, 597958
    31. Carol Sperry, 588411
    32. Narantungalag Tumurbaatar and Moussa Camara, 562927
    33. Bruce Wheaton, 579019
    34. Wayne B. Witherspoon, 600140
   ➢ Petition for Rehearing
     35. James A. Haverkamp, 550350

G3. Homeowner and Renter Property Tax Assistance Matters
   There are no items for this matter.
G4. Sales and Use Taxes Matters..........................................................Mr. McGuire

- Redeterminations
  1. A & P AG Structures, Inc., 513939 (DF)
  2. Bridgestone Americas Tire Operation, LLC, 611314 (OH)
  4. Water Compass, Inc., 669840 (AA)

- Relief of Penalty/Interest
  5. Cardinal Health 110, Inc., 729192 (OH)
  6. Barnes & Noble Booksellers, Inc., 728918 (OH)

- Denials of Claims for Refund
  7. Intermetro Industries Corp., 572975 (OH)
  8. Bowe Bell + Howe Company, 533627 (OH)

- Grant-One Day Interest Relief
  10. Ormco Corporation, 728337 (EA)
  11. Simons Petroleum, Inc., 728332 (OH)
  12. Corona Automotive Company, LLC, 728335 (EH)
  13. Oakland Automotive Company, LLC, 728339 (CH)
  14. C & C Food Enterprises, LLC, 728340 (AS)
  15. P & R Restaurant Enterprises, LLC, 728336 (EH)
  16. Jewel City Diner, LLC, 728328 (AP)
  17. Cellerant Therapeutics, Inc., 728334 (BH)
  18. Brian Thomas Luke, 728329 (KH)
  19. Trattoria Amici/Americana, LLC, 728331 (AP)

G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds ..........................................................Mr. McGuire

- Credits and Cancellations
  1. Bobcat Central, Inc., 567295 (KH)
  2. Rashed M. Rashed, 484708 (KH)
  3. Jose L. Castaneda and Fidelina Mendoza Castaneda, 722824 (JH)
  4. Pete B. Estrada and Jaime Gutierrez, 623983 (EH)

- Refunds
  5. Disney Interactive Studios, Inc., 710796 (OH)
  6. Alphatec Spine, Inc., 623750 (FH)
  7. Professional Hospital Supply, Inc., 601159 (EH)
  8. Dennis Uniform Mfg. Co., 699403 (OH)
  9. Mercedes-Benz USA, LLC, 726765 (KH)
  10. Pine Ridge Winery, LLC, 729489 (JH)
  11. United Rentals Northwest, Inc., 603329 (OH)
  12. Pacific Gas and Electric Company, 724094 (BH)
  14. Patelco Credit Union, 601226 (CH)
  15. DirecTV, Inc., 611994 (AS)
  17. Challenge Financial Services, Inc., 577197 (EA)
  18. Banana Republic, LLC, 722519 (BH)
19. Old Navy, LLC, 723127 (BH)
20. GPS Services, Inc., 723129 (BH)
22. The Gap, Inc., 697215 (BH)
23. Perry Ellis Menswear, LLC, 728297 (OH)
24. Medical Sales, LLC, 570750 (EH)
25. Atlas Copco Construction Mining Tech USA, 719238 (OH)
26. Pentax of America, Inc., 608081 (OH)
27. Morgan Stanley Smith Barney Financing, LLC, 551288 (OH)
28. Southland Credit Union, 600648 (EA)

G6. Special Taxes Matters ................................................................. Mr. Gau
   ➢ Relief of Penalty
      1. BP West Coast Products, LLC, 729214 (STF)
   ➢ Grant-One Day Interest Relief
      2. Bakersfield Investments, Inc., 725813 (STF)

G7. Special Taxes Matters – Credits, Cancellations, and Refunds ...... Mr. Gau
   ➢ Credits and Cancellations
   ➢ Refunds
      2. Liberty Mutual Fire Insurance Co., 414291 (STF) ‘CF’
      3. Employers Insurance Co of Wausau, 414296 (STF) ‘CF’
      4. Wausau Underwriters Insurance Company, 414302 (STF) ‘CF’
      5. Wausau Business Insurance Company, 414305 (STF) ‘CF’

There are no items for the following matters:
G8. Property Tax Matters
G9. Cigarette License Fee Matters
G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory
   (Contribution Disclosure forms required pursuant to Gov. Cod, § 15626.)

H1. Legal Appeals Matters ................................................................. Mr. Angeja
   ➢ Petition for Rehearing
      1. Fence America, Inc., 479354 (KH) +
   ➢ Section 40 (AB 2323) Matters
      2. Mobile Telesys, Inc., 486216 (FH) +

There are no items for the following matters:
H2. Franchise and Income Tax Matters
H3. Homeowner and Renter Property Tax Assistance Matters
H4. Sales and Use Taxes Matters
H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds
H6. Special Taxes Matters
H7. Special Taxes Matters – Credits, Cancellations, and Refunds
H8. Property Tax Matters
H9. Cigarette License Fee Matters
H10. Legal Appeals Property Tax Matters
I. **Tax Program Nonappearance Matters**  
(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

I1. Property Taxes Matters  
There are no items for this matter.

I2. Offer in Compromise Recommendations...........................Mr. Anderson  
1. BMR Group, Inc.  
2. Safdar Brohi  
3a. Zoila Veronica Galeano  
3b. Galeano Group  
4. Outdoor Living, Inc.  
5. Lakhwinder Singh Sidhu  
6. David Wayne Stephens  
7. Charles Treister

I3. Local Tax Reallocation Matters  
There are no items for this matter.

**Chief Counsel Matters**  
There are no items for the following matters:  
J. Rulemaking  
K. Business Taxes  
L. Property Taxes  
M. Other Chief Counsel Matters

**Administrative Session**  
Items that appear under these matters provide information to the Members and may require Board action or direction.

N. Consent Agenda  
There are no items for this matter.

O. **Adoption of Board Committee Reports and Approval of Committee Actions**  

P. **Other Administrative Matters**  
P1. Executive Director’s Report .............................................. Ms. Bridges  
   1. Report on time extensions to Amador, Colusa, Glenn, Inyo,  
      Mendocino, Napa, Placer, San Benito, and San Joaquin Counties  
      to complete and submit 2013/14 Local Assessment Roll, pursuant  
      to Revenue and Taxation Code section 155. +  
   2. CROS Project Update and Actions ..............................Mr. Steen  
      Progress on the CROS project to replace BOE’s two current  
      tax legacy technology systems.
There are no items for the following matters:
P2. Chief Counsel Report
P3. Sales and Use Tax Deputy Director’s Report
P4. Property and Special Taxes Deputy Director’s Report................. Mr. Gau

1. Adoption of the 2013/14 Private Railroad Car Tax Rate – ‘CF’ + ................................................................. Mr. Fitz
   Staff recommendation for the tax rate to be applied in 2013/14 to the value of private railroad cars.

2. Adoption of the 2013 Private Railroad Car Roll – ‘CF’ ............................................................................. Mr. Gau
   Staff recommendation for the lien date 2013 assessment of private railroad cars under the provisions of the Private Railroad Car Tax Law.

3. Adoption of the 2013 State-Assessed Property Roll – ‘CF’ ............................................................................ Mr. Gau
   Staff recommendation on the allocations of the unitary values adopted by the Board in May 2013, plus adjustments based on prior Board action and staff-recommended nonunitary values.

4. Fire Prevention Fee Program Update ................................. Mr. Gau

P5. Administration Deputy Director’s Report + ................................. Ms. Houser

1. 2013/14 Budget Update
   Information on the Governor’s 2013/14 Budget may be provided.

2. Bargaining Unit Contract Update
   Highlights may be provided on the bargaining unit(s) and tentative agreement(s).

There are no items for the following matters:
P6. Technology Deputy Director’s Report
P7. External Affairs Deputy Director’s Report

Announcement of Closed Session ................................................................. Ms. Richmond

Q.  Closed Session

Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code, §§ 6901, 7093.5, 30459.1, 50156.11).

Q2. Discussion and action on personnel matters (Gov. Code, § 11126(a)).

Announcement of Open Session................................................................. Ms. Richmond

Recess - The meeting will reconvene on Thursday, July 18, 2013, at 9:30 a.m.
General information regarding Board and Committee Meetings can be found at www.boe.ca.gov/meetings/boardcomm.htm. If you would like specific information regarding items on this Notice and Agenda, please telephone (916) 322-2270 or e-mail: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

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Joann Richmond, Chief
Board Proceedings Division

* Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.

+ Material is available for this item.

‘CF’ Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.
Agenda Changes

Webcast on Thursday, July 18, 2013

Thursday, July 18, 2013

9:30 a.m.  Board Meeting Reconvenes*

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C.  Sales and Use Tax Appeals Hearings
    (Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

    C8.  Easy Life Furniture, Inc., 487694 (EA) +
          For Petitioner: Jimmy Hsieh, Taxpayer
          For Department: Scott Claremon, Tax Counsel

    C9.  Maria Esther Polack, 556429 (EA) +
          For Petitioner: Maria Esther Polack, Taxpayer
          For Department: Scott Lambert, Hearing Representative

    C10. Maria B. Looney and Michael C. Mackellar, 519645 (UT) +
          For Petitioners: Noriel Zuazo, Representative
          For Department: Scott Claremon, Tax Counsel

    C11. Anwer Ali Jadhavji, 202563 (AC) +
          For Petitioner: Shiraz Lakhani, Representative
          For Department: Scott Lambert, Hearing Representative
C12. Nirvair Corporation, 529714 (EA) +
For Petitioner: Bhupinder S. Mac, Taxpayer
Poonam Gahlawat, Representative
Moti Balyan, Representative
For Department: Scott Lambert, Hearing Representative

C13. Elizabeth Shutters, Inc., 538185 (EH) +
For Claimant: Dean Frost, Taxpayer
For Department: Erin Dendorfer, Tax Counsel

C14. Vetco, Inc., 488964 (FH) +
For Petitioner: Gerald A. Vetterick, Taxpayer
John H. Vetterick, Witness
For Department: Marc Alviso, Hearing Representative

C15. Julia Barranco, 552756 (AP) +
For Petitioner: Waived Appearance
For Department: Marc Alviso, Hearing Representative

C16. BRMAWA Corporation, 426212 (AS) +
For Petitioner: Johnny Walker, Representative
George Bryant, Representative
For Department: Scott Lambert, Hearing Representative

Adjourn

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