The Board met at its offices at 450 N Street, Sacramento, at 10:02 a.m., with Ms. Steel, Vice Chairwoman, and Ms. Yee present, Ms. Mandel present on behalf of Mr. Chiang in accordance with Government Code section 7.9.

The Board recessed at 10:03 a.m. and reconvened at 10:40 a.m. with Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel present.

SPECIAL PRESENTATION

On behalf of the Board, Mr. Horton presented Liz Houser, Deputy Director, Administration Department, a retirement resolution, extending his appreciation for her tremendous leadership and making an impact in such a short period of time for each Board Member and the Executive Team. Members made complementary remarks regarding their experiences with Ms. Houser and complimented her excellent work with the Board of Equalizations field offices and district offices. The Members also expressed appreciation for the work she has done on improving employee programs that will benefit the agency for years to come. Ms. Houser made complimentary remarks about the agency and how honored she is to serve the Board, expressed her gratitude for working at an agency that treats their employees with respect and thanked the Members and those she had the pleasure to work with.

CORPORATE FRANCHISE AND PERSONAL INCOME TAXES HEARING

Quiller Barnes and Patricia Barnes, 717969
1996, $21,963.40 Claim for Refund

For Appellants: Quiller Barnes, Taxpayer
Endy Ukoha-Ajike, Representative

For Franchise Tax Board: David Muradyan, Tax Counsel
Fred Campbell-Craven, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Issue: Whether appellants’ claim for refund is barred by the applicable statute of limitations.

Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board submitted the appeal for decision.

ADMINISTRATIVE SESSION

ADMINISTRATIVE MATTERS, CONSENT

With respect to the Administrative Matters, Consent Agenda, upon a single motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board made the following orders:

Action: Adopt the following resolutions, extending its sincere and grateful appreciation to the retirees for their dedicated service to the State Board of Equalization and to the State of California, their congratulations on each retiree's well-earned retirement, and best wishes to them and their families for continued success, happiness and good health in the years to come (Exhibit 7.1).
LaVern Harvey, Business Taxes Representative, Sales and Use Tax Department, Sacramento Out-of-State Office  
Liz Houser, Deputy Director, Administration Department, Headquarters  
Steven C. Kamlin, Tax Auditor, Sales and Use Tax Department, San Diego Office  
Judy M. Knight, Staff Services Manager I, Health and Safety Section, Administration Department, Headquarters  
Mike Lorenz, Supervising Tax Auditor III, San Francisco Office

Action: Adopt Property Tax Form BOE-571-W, 2015 Wind Generation Property Statement, as presented by staff (Exhibit 7.2).

Exhibits to these minutes are incorporated by reference.

CORPORATE FRANCHISE AND PERSONAL INCOME TAXES HEARING

Fr. Bishoy Abdel and Niven A. Escan, 600054  
2004, $2,845.00 Assessment  
For Appellants: Fr. Bishoy Abdel, Taxpayer  
For Franchise Tax Board: Jean Cramer, Tax Counsel  
Mary Yee, Tax Counsel  
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.  
Issues: Whether appellants have shown error in respondent’s proposed assessment that was based on a final federal determination.  
Whether interest may be abated.  
Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board submitted the appeal for decision.

SALES AND USE TAX APPEALS HEARINGS

Pahwa & Associates, Inc., 531030 (CH)  
04/01/06 to 03/31/09, $30,826.26 Tax  
For Petitioner: Inder Pahwa, Taxpayer  
Indy Pahwa, Representative  
Al Hibbard, Representative  
For Sales and Use Tax Department: Scott Lambert, Hearing Representative  
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.  
Issue: Whether additional adjustments to the amount of disallowed claimed exempt sales of food are warranted.  
Action: Upon motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

The Board recessed at 12:40 p.m. and reconvened at 1:23 p.m. with Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel present.
Amador Patino and Gerardo Javier Guzman, 532069, 549106 (CH)
01/01/07 to 06/30/07, $20,948.66 Tax, $2,094.86 Negligence Penalty
07/01/07 to 06/30/08, $44,857.26 Tax, $4,485.74 Negligence Penalty, $4,485.73 Finality Penalty
La Primavera Products Svc., Inc., 550549 (CH)
07/01/08 to 03/31/10, $90,745.40 Tax, $9,074.56 Negligence Penalty, $9,074.54 Finality Penalty
For Petitioners/Taxpayers: Amador Patino, Taxpayer
               Michan Evonc, Representative
For Sales and Use Tax Department: Scott Lambert, Hearing Representative
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Issue: Whether adjustments to the audited amounts of unreported taxable sales are warranted.
Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

Jaswinder Kaur, 537383, 699250 (DF)
05/04/06 to 03/31/09, $75,710.80 Tax, $7,571.12 Negligence Penalty
For Taxpayer: Sher Singh, Representative
               Jagdeep Ghangas, Witness
               Jasleen Kaur, Witness
For Sales and Use Tax Department: Marc Alviso, Hearing Representative
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Issues: Whether taxpayer is responsible for the audit liability.
        Whether taxpayer was negligent.
Action: Upon motion of Ms. Yee, seconded by Ms. Mandel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

H&O, Inc., 547859, 709260 (GH)
01/01/06 to 12/31/08, $27,862.24 Tax
H&O, Inc., 559975 (GH)
06/01/07 to 06/30/07, $3,058.00 Tax
For Petitioners/Claimants: Omar Kassa, Taxpayer
               Shermin Alam, Representative
               Khorshed Alam, Representative
For Sales and Use Tax Department: Scott Lambert, Hearing Representative
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Issue in matters of 547859 and 709260:
        Whether adjustments are warranted to the amount of unreported taxable sales.
Issue in the matter of 559975:
        Whether any additional adjustments to the unpaid tax liability are warranted.
Action: Upon motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.
Rigoberto Lopez Nunez, 559883 (DF)
07/01/06 to 01/31/10, $117,378.17 Tax, $11,737.85 Negligence Penalty
For Petitioner: Rigoberto Lopez, Taxpayer
For Sales and Use Tax Department: Scott Lambert, Hearing Representative
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Issues: Whether additional adjustments to the amount of unreported taxable sales are warranted.
          Whether petitioner was negligent.
          Whether relief of interest is warranted.
Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

Jialing Wang, 436517, 546372 (JH)
01/01/04 to 03/31/07, $29,465.55 Tax, $5,892.89 Finality Penalty, $2,946.55 Negligence Penalty
04/01/07 to 03/31/10, $7,908.80 Tax, $790.91 Negligence Penalty
For Petitioner/Claimant: Jialing Wang, Taxpayer
For Sales and Use Tax Department: Scott Lambert, Hearing Representative
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Issues: Whether adjustments are warranted to the amounts of unreported taxable sales.
          Whether petitioner was negligent.
Action: Upon motion of Ms. Yee, seconded by Ms. Mandel and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

Chaoyun Li and Laxiu Tian, 436192, 546378 (JH)
11/08/04 to 03/31/07, $41,822.55 Tax, $3,555.81 Negligence Penalty, $626.46 Failure-to-file Penalty
04/01/07 to 03/31/10, $36,327.64 Tax, $3,632.80 Negligence Penalty
For Petitioners: Chaoyun Li, Taxpayer
For Sales and Use Tax Department: Scott Lambert, Hearing Representative
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Issues: Whether adjustments are warranted to the amounts of unreported taxable sales.
          Whether petitioner was negligent.
          Whether both Chaoyun Li and Laxiu Tian are liable as partners for the audit liabilities.
Action: Upon motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.
SPECIAL TAXES APPEALS HEARINGS

Daniel Frank Allen, 546385, 547969 (STF)
04/01/02 to 06/30/09, $9,115.00 Fee, $0.00 Penalty
For Petitioner/Claimant: Daniel Allen, Taxpayer
Nanci Allen, Representative
For Property and Special Taxes Department: Erin Dendorfer, Tax Counsel
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Issues: Whether adjustments are warranted to the amount of unreported California tire fee.
Whether relief of interest is warranted.
Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried,
Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that
the petition be submitted for decision.

ANNOUNCEMENT OF CLOSED SESSION

The Board recessed at 6:13 p.m. and reconvened immediately in closed session
with Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel present.

CLOSED SESSION

The Board met to discuss pending litigation (Gov. Code § 11126(e)), settlements
(Rev. & Tax. Code §§ 6901, 7093.5, 30459.1 and 50156.11) and personnel matters (Gov. Code §
11126(a)).

The Board recessed at 6:19 p.m. and reconvened immediately in open session
with Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel present.

FINAL ACTION ON CORPORATE FRANCHISE AND PERSONAL INCOME TAXES
HEARINGS HELD JULY 17, 2014

Quiller Barnes and Patricia Barnes, 717969
Final Action: Upon motion of Ms. Mandel, seconded by Ms. Yee and unanimously carried,
Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board sustained the
action of the Franchise Board but directed staff to notify appellants that they should consider the
tax treatment of any distributions from appellants’ Putnam Investments account in years
following the 1996 year in order to determine if such distributions were reported correctly.

Fr. Bishoy Abdel and Niven A. Escan, 600054
Final Action: Upon motion of Ms. Yee, seconded by Ms. Steel and unanimously carried,
Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board sustained the
action of the Franchise Tax Board.
FINAL ACTION ON SALES AND USE TAX APPEALS HEARINGS HELD
JULY 17, 2014

Pahwa & Associates, Inc., 531030 (CH)
Final Action: (Motion expunged.)

Amador Patino and Gerardo Javier Guzman, 532069, 549106 (CH)
La Primavera Products Svcs., Inc., 550549 (CH)
Final Action: Upon motion of Ms. Mandel, seconded by Ms. Yee and unanimously carried,
Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that
the finality penalty be removed as conceded by staff and that the petition otherwise be
redetermined as recommended by the Appeals Division.

Jaswinder Kaur, 537383, 699250 (DF)
Final Action: Ms. Yee moved that the petition be redetermined as recommended by the
Appeals Division. Ms. Steel made a substitute motion that the negligence penalty be deleted, and
that the petition otherwise be redetermined as recommended by the Appeals Division. The
substitute motion was seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Steel,
Ms. Yee, Mr. Runner and Ms. Mandel voting yes.

H&O, Inc., 547859, 709260 (GH)
H&O, Inc., 559975 (GH)
Final Action: Upon motion of Ms. Steel, seconded by Mr. Runner and unanimously carried,
Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that
the audited taxable minimart sales be reduced by 28 percent for the third and fourth quarters of
2007 and that the petition otherwise be redetermined as recommended by the Appeals Division.

Rigoberto Lopez Nunez, 559883 (DF)
Final Action: Upon motion of Ms. Steel, seconded by Mr. Runner and unanimously carried,
Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that
the negligence penalty be deleted, and that the petition otherwise be redetermined as
recommended by the Appeals Division.

Jialing Wang, 436517, 546372 (JH)
Final Action: (Motion expunged.)

Chaoyun Li and Laxiu Tian, 436192, 546378 (JH)
Final Action: Upon motion of Ms. Steel, seconded by Mr. Runner and unanimously carried,
Mr. Horton, Ms. Steel, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, the Board ordered that
the audited taxable sales be recalculated based on a credit card sales ratio (inclusive of debit card
transactions) of 33.66 percent, and that the petition otherwise be redetermined as recommended
by the Appeals Division.
FINAL ACTION ON SPECIAL TAXES APPEALS HEARING HELD JULY 17, 2014

Daniel Frank Allen, 546385, 547969 (STF)
Final Action: Ms. Steel moved that the interest be abated and that the petition otherwise be redetermined as recommended by the Appeals Division. The motion was seconded by Mr. Runner but failed to carry, Ms. Steel and Mr. Runner voting yes, Mr. Horton, Ms. Yee and Ms. Mandel voting no.

Upon motion of Ms. Yee, seconded by Ms. Mandel and duly carried, Mr. Horton, Ms. Yee and Ms. Mandel voting yes, Ms. Steel and Mr. Runner voting no, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

The Board recessed at 6:38 p.m. and reconvened at 6:45 p.m. with Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel present.

FINAL ACTION ON SALES AND USE TAX APPEALS HEARINGS HELD JULY 17, 2014

Pahwa & Associates, Inc., 531030 (CH)
Final Action: Upon motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Steel absent, the Board ordered that its previous motion be expunged.

The Board deferred consideration of the matter to the August 2014, Culver City Board meeting.

Jialing Wang, 436517, 546372 (JH)
Final Action: Upon motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Steel absent, the Board ordered that its previous motion be expunged.

The Board deferred consideration of the matter to the August 2014, Culver City Board meeting.

PUBLIC HEARINGS

Proposed Adoption of Sales and Use Tax Regulation 1525.4, Manufacturing and Research & Development Equipment

Andrew Kwee, Tax Counsel, Legal Department, made introductory remarks regarding Regulation 1524.4, which implements Revenue and Taxation Code section 6377.1’s partial exemption for the sale and use of equipment used primarily in manufacturing and research and development (Exhibit 7.3).

Speaker: Therese Twomey, Fiscal Policy Director, California Taxpayers Association

Action: Upon motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Steel absent, the Board adopted Regulation 1525.4 as published.
LEGAL APPEALS MATTERS, CONSENT

The Board deferred consideration of the following matter: Kiwi Stair, Inc., 602125.

With respect to the Legal Appeals Matters Consent Agenda, upon a single motion of Ms. Mandel, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Steel absent, the Board made the following orders:

Ronald Avedisian, 434518 (AC)
04/01/04 to 02/13/07, $2,805,008.60 Tax, $702,002.21 Fraud Penalty
Action: Redetermine as recommended by the Appeals Division.

Behmard & Associate, Inc., 588418 (AP)
07/01/06 to 09/30/09, $1,439,314.17 Tax, $143,931.47 Negligence Penalty
Action: Redetermine as recommended by the Appeals Division.

Capital Cookery, Inc., 536609 (KH)
01/01/06 to 06/30/09, $189,700.56 Tax, $18,970.09 Negligence Penalty
Action: Redetermine as recommended by the Appeals Division.

Partnership of Bridget Riley Hicks and Fred Hicks, 558251 (UT)
11/01/07, $3,625.00 Tax
Action: Redetermine as recommended by the Appeals Division.

Rory O’Brien, 625197 (UT)
July 30, 2012, $1,387.00 Claim for Refund
Action: Deny the claim for refund as recommended by the Appeals Division.

Rogelio Ortiz, 489267 (KH)
01/01/05 to 11/30/06, $24,741.08 Tax, $6,223.40 Late Payment Penalties
Action: Redetermine as recommended by the Appeals Division.

Davood Rahnama, 562888, 579013 (DF)
10/01/06 to 03/31/08, $29,605.07 Tax, $2,960.52 Negligence Penalty
04/01/08 to 12/14/09, $33,676.31 Tax, $3,367.63 Negligence Penalty, $3,367.63 Finality Penalty
Action: Redetermine as recommended by the Appeals Division.

RDB Enterprises, Inc., 603902 (KH)
05/13/10 to 09/30/11, $156,213.22 Tax, $15,621.32 Negligence Penalty
Action: Redetermine as recommended by the Appeals Division.

T.B.A. Enterprises, Inc., 532453 (AR)
04/01/05 to 03/31/08 $83,590.82 Tax, $8,359.09 Negligence Penalty
Action: Redetermine as recommended by the Appeals Division.

Harry K. Vernon, 562640 (UT)
05/15/08, $4,750.00 Tax
Action: Redetermine as recommended by the Appeals Division.
Kiwi Stair, Inc., 602125 (KH)
10/01/07 to 09/30/10, $24,976.80 Tax
Action: The Board took no action.

Marizzelly De Jesus Aburto, 782694 (STF)
August 14, 2013, $140.00 Approximate Value
Action: Determined that staff properly seized the tobacco products.

Moon Joo Kim, 782688 (STF)
October 10, 2013, $24.00 Approximate Value
Action: Determined that staff properly seized the tobacco products.

In & Out Food Mart, Inc., 785012 (STF)
August 21, 2013, $275.00 Approximate Value
Action: Determined that staff properly seized the tobacco products.

Mian, Inc., 784989 (STF)
September 5, 2013, $8.00 Approximate Value
Action: Determined that staff properly seized the tobacco products.

Magnum Breeze II, Inc., 538790 (EH)
10/01/06 to 12/31/09, $173,880.66 Tax, $1,884.61 Failure-to-File Penalty
Action: Deny the petition for rehearing as recommended by the Appeals Division.

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, CONSENT

The Board deferred consideration of the following matters: Daniel F. Dong, 734198; and, Alberto A. Delpino, 576143.

With respect to the Corporate Franchise and Personal Income Tax Matters Consent Agenda, upon a single motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Steel absent, the Board made the following orders:

Kristina L. Burke, 762690
2003, $18,763.00 Tax, $1,877.00 Accuracy Related Penalty
Action: Sustain the action of the Franchise Tax Board as modified by its concessions.

Daniel F. Dong, 734198
2011, $1,885.00 Assessment
Action: The Board took no action.

Connie M. Quijada, 728755
2001, $2,322.30 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.
James V. Robertson, 731567
2010, $13,510.00 Tax, $3,377.50 Late Filing Penalty, $3,377.50 Demand Penalty, $88.00 Filing
Enforcement Fee

Erik L. Hayes, 731576
2009, $23,750.00 Tax, $5,937.50 Late Filing Penalty, $5,937.50 Demand Penalty, $82.00 Filing
Enforcement Fee

Jintau E. Two, 731578
2010, $1,634.00 Tax, $408.50 Late Filing Penalty, $408.50 Demand Penalty, $88.00 Filing
Enforcement Fee

Benjamin F. Killen, 731591
2010, $2,806.00 Tax, $701.50 Late Filing Penalty, $701.50 Demand Penalty, $88.00 Filing
Enforcement Fee

Eldo M. Klingenberg, Jr., 731595
2010, $1,832.00 Tax, $458.00 Late Filing Penalty, $458.00 Demand Penalty, $88.00 Filing
Enforcement Fee

Carol Grant, 731600
2010, $1,667.00 Tax, $416.75 Late Filing Penalty, $416.75 Demand Penalty, $88.00 Filing
Enforcement Fee

Richard T. Grant, Jr., 731604
2009, $10,456.00 Tax, $2,614.00 Late Filing Penalty, $2,614.00 Demand Penalty, $82.00 Filing
Enforcement Fee

David C. Williams, 732520
2010, $9,560.00 Tax, $2,390.00 Late Filing Penalty, $2,390.00 Demand Penalty, $88.00 Filing
Enforcement Fee

Dan Pickell, 730124
2010, $2,309.00 Tax, $577.25 Late Filing Penalty, $577.25 Demand Penalty, $88.00 Filing
Enforcement Fee

John B. Holloway, 726945
2010, $5,709.00 Tax, $1,427.25 Late Filing Penalty, $1,427.25 Demand Penalty, $88.00 Filing
Enforcement Fee

Champion Wiseman, 727532
2010, $1,321.00 Tax, $330.25 Late Filing Penalty, $330.25 Demand Penalty, $88.00 Filing
Enforcement Fee

Marianne Pretscher-Johnson, 738918
2010, $1,923.00 Tax, $480.75 Late Filing Penalty, $480.75 Demand Penalty, $88.00 Filing
Enforcement Fee

Steven Ertelt, 738690
2010, $1,997.00 Tax, $499.25 Late Filing Penalty, $499.25 Demand Penalty, $88.00 Filing
Enforcement Fee

Rodney Walker, 727664
2010, $1,221.00 Tax, $305.25 Late Filing Penalty, $305.25 Demand Penalty, $88.00 Filing
Enforcement Fee

Action: Sustain the action of the Franchise Tax Board and impose a $750.00 frivolous
appeal penalty to each appeal of David C. Williams, 732520; and, John B. Holloway, 726945; and
impose a $5,000.00 frivolous appeal penalty to each of the remaining appeals.
April Williams, 722869
1999, $8,242.59 Assessment
Action: Sustain the action of the Franchise Tax Board.

Ross Peck and Lois Peck, 681037
2001, $5,350.35 Tax
2002, $363.48 Tax
2003, $6,263.27 Tax
Action: Sustain the action of the Franchise Tax Board as modified by its concessions.

Joyce Bandele, 732680
2008, $2,760.00 Tax, $552.00 Accuracy-Related Penalty
Action: Sustain the action of the Franchise Tax Board as modified by its concessions.

Bay Area Gun Vault, LLC, 631038
2010, $4,763.41 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.

Commerce Avenue, LLC, 663753
2010, $121.91 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.

Alberto A. Delpino, 576143
2006, $1,086.00 Assessment
Action: The Board took no action.

Randeep S. Dhillon and Kamalpreet Sidhu, 594206
2003, $6,485.00 Tax, $1,621.25 Late Filing Penalty
Action: Sustain the action of the Franchise Tax Board.

John Thomas Gaiser, 605297
2008, $50,814.00 Tax, $12,703.50 Late Filing Penalty
Action: Sustain the action of the Franchise Tax Board.

Bahram K. Ganjineh, 592007
2006, $195.00 Tax, $39.00 Accuracy-Related Penalty, $100.00 Delinquent Filing Penalty
Action: Sustain the action of the Franchise Tax Board as modified by its concessions on appeal.

Steven Garff and April Garff, 711211
2008, $743.00 Assessment
Action: Sustain the action of the Franchise Tax Board as modified by its concessions.

Robert R. Jimenez, 600984
2004, $1,924.00 Assessment
Action: Sustain the action of the Franchise Tax Board.
Kevin Jones, 712951
2009, $351.00 Assessment
Action: Sustain the action of the Franchise Tax Board.

Roosevelt Madison and Paula Madison, 593006
2007, $176,542.74 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.

Chiyoung Min, 636183
2006, $119.00 Claim for Refund
2007, $527.00 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.

Sean M. Panter, 693108
2010, $1,285.00 Assessment
Action: Sustain the action of the Franchise Tax Board.

Lynn Rivell, 602165
2000, 2001 and 2004, $19,880.00 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.

Elizabeth A. Stelzner, 661825
2008, $4,151.00 Assessment
Action: Sustain the action of the Franchise Tax Board as modified by its concessions on appeal.

John K. Tollison and Kimberly Tollison, 596464
2010, $1,197.95 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.

Harold L. Votey, Jr., 654986
2010, $1,069.25 Claim for Refund
2011, $546.29 Claim for Refund
Action: Sustain the action of the Franchise Tax Board.

Daniel F. Wald, 626421
2008, $156.00 Assessment
Action: Sustain the action of the Franchise Tax Board.

Troy Jolliff, 638354
2003, $4,689.00 Tax
Action: Deny the petition for rehearing.

Ezzelino Pozzato, 604862
2007, $24,540.00 Claim for Refund
Action: Deny the petition for rehearing.
SALES AND USE TAX MATTERS, RELIEF OF PENALTIES, AND, GRANT-ONE DAY INTEREST RELIEF, CONSENT

With respect to the Sales and Use Tax Matters, Relief of Penalties, and, Grant-One Day Interest Relief, Consent Agenda, upon a single motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Steel absent, the Board made the following orders:

Coach, Inc., 804812 (OH)
01/01/14 to 01/31/14, $218,638.34
Action: Approve the relief of penalty as recommended by staff.

Abel Chevrolet Pontiac Buick, Co., 804844 (JH)
10/01/13 to 12/31/13, $656.52
Action: Approve the one day interest relief as recommended by staff.

S.B. Restaurant, Co., 804816 (EA)
07/29/13 to 08/25/13, $3,415.57
Action: Approve the one day interest relief as recommended by staff.

Jeffrey Sean Samuels, 804843 (SO)
07/01/13 to 09/30/13, $102.44
Action: Approve the one day interest relief as recommended by staff.

SABA Holding Company, 804842 (OH)
10/01/13 to 12/31/13, $1,631.65
Action: Approve the one day interest relief as recommended by staff.

SALES AND USE TAX MATTERS, CREDITS, CANCELLATIONS AND REFUNDS, CONSENT

With respect to the Sales and Use Tax Matters, Credits, Cancellations and Refunds, Consent Agenda, upon a single motion of Ms. Yee, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Steel absent, Ms. Mandel not participating in accordance with Government Code section 87105 in Wells Fargo Auto Finance, LLC, 605537, the Board made the following orders:

Aero Union Corporation, 803775 (KH)
07/01/11 to 09/30/11, $104,313.36
Action: Approve the credit and cancellation as recommended by staff.

Gilead Sciences, Inc., 807484 (BH)
07/01/09 to 12/31/12, $297,505.11
Action: Approve the credit and cancellation as recommended by staff.

LBS Financial Credit Union, 785719 (EA)
01/01/13 to 12/31/13, $165,347.00
Action: Approve the refund as recommended by staff.
Harris Corporation, 740001 (OH)
04/01/10 to 06/30/13, $468,256.42
Action: Approve the refund as recommended by staff.

Halo Motor Company, 668920 (FH)
07/01/09 to 06/30/13, $1,205,217.00
Action: Approve the refund as recommended by staff.

Trimble Navigation, LTD, 782218 (GH)
04/01/07 to 06/30/10, $141,668.45
Action: Approve the refund as recommended by staff.

NWA Fuel Services Corporation, 610540 (OH)
01/01/09 to 06/30/09, $174,830.54
Action: Approve the refund as recommended by staff.

Inyo Crude, Inc., 594166 (DF)
01/01/09 to 06/30/11, $378,444.04
Action: Approve the refund as recommended by staff.

Ameron International Corporation, 803394 (EH)
10/01/10 to 12/31/12, $114,939.37
Action: Approve the refund as recommended by staff.

Mountain Counties Supply, Co., 800674 (KH)
10/01/10 to 09/30/13, $297,678.22
Action: Approve the refund as recommended by staff.

Database Marketing Group, Inc., 799972 (EA)
10/01/11 to 12/31/13, $191,239.06
Action: Approve the refund as recommended by staff.

E-One, Inc., 758246 (OH)
04/01/13 to 06/30/13, $108,863.00
Action: Approve the refund as recommended by staff.

Samsung Telecomm America, LLC, 782231 (OH)
10/01/12 to 12/31/12, $346,912.97
Action: Approve the refund as recommended by staff.

Avis Rent A Car System, LLC, 803392 (OH)
10/01/08 to 12/31/10, $630,304.21
Action: Approve the refund as recommended by staff.

Rockwell Collins, Inc., 802791 (OH)
01/01/10 to 12/31/12, $109,021.00
Action: Approve the refund as recommended by staff.
Fastcredit Financial, Inc., 636336 (AS)  
10/01/09 to 03/31/13, $142,321.85  
Action: Approve the refund as recommended by staff.

Wells Fargo Auto Finance, LLC, 605537 (CH)  
07/01/10 to 09/30/12, $1,379,598.95  
Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

TSI Semiconductors America, LLC, 758243 (KH)  
01/01/13 to 03/31/13, $159,442.00  
Action: Approve the refund as recommended by staff.

Carfinance Capital, LLC, 783418 (EA)  
01/01/13 to 12/31/13, $190,458.00  
Action: Approve the refund as recommended by staff.

**LEGAL APPEALS MATTERS, ADJUDICATORY**

Mark J. Weidhaas and Richard A. Weiner, 577043 (UT)  
09/10/10, $0.00 Tax  
Considered by the Board: November 19, 2013  
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.  
Action: Upon motion of Ms. Yee, seconded by Ms. Mandel and unanimously carried, Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Steel absent, the Board ordered that the petition be granted.

Akop Jack Chichyan, Vicken Djeredjian, and Mnatsakan Mike Grigoryan, 388129 (STF)  
10/01/00 to 02/28/02, $2,815,668.00 Tax, $703,917.00 Fraud Penalty, $281,566.80 Failure-to-File Penalty  
Considered by the Board: November 15, 2012  
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.  
Action: Upon motion of Ms. Yee, seconded by Ms. Mandel and unanimously carried, Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Steel absent, the Board ordered that the petition for rehearing be denied and approved adjustments as recommended by the Appeals Division.

**CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, ADJUDICATORY**

Sean Brunskie, 597425  
2004, $15,551.00 Assessment  
Considered by the Board: Hearing Notice Sent – No Response  
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.  
Action: Upon motion of Ms. Yee, seconded by Ms. Mandel and unanimously carried, Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Steel absent, the Board adopted a decision sustaining the action of the Franchise Tax Board.
2014 MINUTES OF THE STATE BOARD OF EQUALIZATION

Thursday, July 17, 2014

Charles P. Franklin, 417829
2000, $96,210.00 Assessment
Considered by the Board: November 17, 2010
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Action: Upon motion of Ms. Yee, seconded by Ms. Mandel and unanimously carried, Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Steel absent, the Board adopted a decision sustaining the action of the Franchise Tax Board.

Camino Medical Group, Inc., 719011
2005, $1,028,094.13 Claim for Refund
Considered by the Board: Summary Decision (Rev. & Tax. Code, § 40)
Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.
Action: The Board deferred consideration of the matter to the August 2014, Culver City Board meeting.

TAX PROGRAM NONAPPEARANCE MATTERS NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

OFFER-IN-COMPROMISE RECOMMENDATIONS
Action: Upon motion of Ms. Mandel, seconded by Mr. Runner and unanimously carried, Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Steel absent, the Board approved the Offer in Compromise Recommendations of Accettura Bros., Inc.; Khachik Chris Chibilyan; Inmar West Company, Inc.; Cory Anthony Iturribarria; Yong Heui Lee; and Rocio Ramos; as recommended by staff.

CHIEF COUNSEL MATTERS

RULEMAKING
Section 100 Changes
Sales and Use Tax Regulation 1684, Collection of Use Tax by Retailers
Bradley Heller, Tax Counsel, Tax and Fee Programs Division, Legal Department, made introductory remarks regarding staff’s request for authorization to make Rule 100 changes to identify the operative dates of Revenue and Taxation Code section 6203, and of the 2012 amendments to Regulation 1684, as re-enacted by Statutes 2011, chapter 313 (Exhibit 7.4).
Action: Upon motion of Mr. Runner, seconded by Ms. Mandel and unanimously carried, Mr. Horton, Ms. Yee, Mr. Runner and Ms. Mandel voting yes, Ms. Steel absent, the Board approved authorization to make Rule 100 changes to Regulation 1684 as recommended by staff.

ADMINISTRATIVE SESSION

OTHER ADMINISTRATIVE MATTERS
Executive Director’s Report
Cynthia Bridges, Executive Director, provided a report regarding a time extension to Napa County to complete and submit the 2014/15 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155 (Exhibit 7.5).
Eric Steen, CROS Project Director, provided a report regarding the progress on the CROS project to replace BOE’s two current tax legacy technology systems.

**Property and Special Taxes Deputy Director’s Report**

Joe Fitz, Chief, Research and Statistics Section, Legislative and Research Division, reported that the 2014/15 private railroad car tax rate is set at $1.106 in accordance with the computation under the provisions Revenue and Taxation Code, section 11403 (Exhibit 7.6).

Dick Reisinger, Manager, State-Assessed Properties Division, Property and Special Taxes Department, made introductory remarks regarding the 2014 private railroad car roll (Exhibit 7.7).

Action: Upon motion of Mr. Runner, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Yee and Mr. Runner voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, Ms. Steel absent, the Board adopted the 2014 private railroad car roll as recommended by staff.

Dick Reisinger, Manager, State-Assessed Properties Division, Property and Special Taxes Department, made introductory remarks regarding the 2014 state-assessed property roll (Exhibit 7.8).

Action: Upon motion of Mr. Runner, seconded by Ms. Yee and unanimously carried, Mr. Horton, Ms. Yee and Mr. Runner voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, Ms. Steel absent, the Board adopted the 2014 state-assessed property roll as recommended by staff.

The Board adjourned at 7:00 p.m.

*The foregoing minutes are adopted by the Board on September 23, 2014.*

Note: The following matters were removed from the calendar prior to the meeting: James Emmitt, 717136; Rudolph Buriani and Norma Jean Buriani, 668146; Arthur McLaughlin & Associates, Inc., 446374; Sagar Emporium, Inc., 562126 and Rohan and Sagar, Inc., 561882; Andrew J. Laspino, 393823 and Patricia M. Laspino, 393822; Oak Tree Alternative Care, A California Non-Profit Mutual Benefit Corporation, 597897; Capital City Restaurants, Inc., 522640; Sandy Seybert, 598180 and Sandy Seybert, 598183; WCN, Inc., 491680; Executive Director’s Report, Summons to annual meeting of the Board and County Assessors and proposed meeting location; Property and Special Taxes Deputy Director’s Report, Assessment Practices Survey Program – Presentation of Modernization Reforms; and, Administration Deputy Director’s Report, Facilities Update.