STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
NOTICE AND AGENDA
Meeting Agenda (as of 7/16/2014, 2:50 PM)

Agenda Changes

Webcast on Thursday, July 17, 2014

Thursday, July 17, 2014

10:00 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.

Special Presentation

➢ Presentation of Retirement Resolution............................................... Mr. Horton
  Liz Houser, Administration Department

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. Quiller Barnes and Patricia Barnes, 717969 +
   For Appellants: Quiller Barnes, Taxpayer
   Endy Ukoha-Ajike, Representative
   For Franchise Tax Board: David Muradyan, Tax Counsel
   Fred Campbell-Craven, Tax Counsel

B2. James Emmitt, 717136 +
   For Appellant: James Emmitt, Taxpayer
   For Franchise Tax Board: Christopher Haskins, Tax Counsel
   _________________________________ Roman Johnston, Tax Counsel

B3. Rudolph Buriani and Norma Jean Buriani, 668146 +
   For Appellants: Rudolph Buriani, Taxpayer
   For Franchise Tax Board: Elizabeth Rodoni, Tax Counsel
   _________________________________ Mary Yee, Tax Counsel
B4. Fr. Bishoy Abdel and Niven A. Escan, 600054 +
For Appellants: Fr. Bishoy Abdel, Taxpayer
For Franchise Tax Board: Jean Cramer, Tax Counsel
Mary Yee, Tax Counsel

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

C1. Pahwa & Associates, Inc., 531030 (CH) +
For Petitioner: Inder Pahwa, Taxpayer
Indy Pahwa, Representative
Al Hibbard, Representative
For Department: Scott Lambert, Hearing Representative

For Petitioner: Pamela Pomar, Representative
Duane E. Haaland, Representative
For Department: Scott Claremon, Tax Counsel

C3a. Sagar Emporium, Inc., 562126 (CH) +
C3b. Rohan and Sagar, Inc., 561882 (CH) +
For Petitioners: Varsha Patel, Taxpayer
Reuben Kanhai, Taxpayer
For Department: Scott Lambert, Hearing Representative

C4a. Amador Patino and Gerardo Javier Guzman, 532069, 549106 (CH) +
C4b. La Primavera Products Svcs., Inc., 550549 (CH) +
For Petitioners/Taxpayers: Amador Patino, Taxpayer
Michan Evonc, Representative
For Department: Scott Lambert, Hearing Representative

C5a. Andrew J. Laspino, 393823 (GH) +
C5b. Patricia M. Laspino, 393822 (GH) +
For Petitioners: Kai Mickey, Representative
For Department: Monica Silva, Tax Counsel

C6. Oak Tree Alternative Care, A California Non-Profit Mutual Benefit Corporation, 597897 (EH) +
For Petitioner: Henry Wykowski, Attorney
Christopher Wood, Attorney
For Department: Scott Lambert, Hearing Representative

C7. Jaswinder Kaur, 537383, 699250 (DF) +
For Taxpayer: Sher Singh, Representative
For Department: Marc Alviso, Hearing Representative

C8a. H&O, Inc., 547859, 709260 (GH) +
C8b. H&O, Inc., 559975 (GH) +
For Petitioners/Claimants: Khorshed Alam, Representative
For Department: Scott Lambert, Hearing Representative
C9. Rigoberto Lopez Nunez, 559883 (DF) +
For Petitioner: Rigoberto Lopez, Taxpayer
For Department: Scott Lambert, Hearing Representative

C10. Jialing Wang, 436517, 546372 (JH) +
For Petitioner/Taxpayer: Jialing Wang, Taxpayer
For Department: Scott Lambert, Hearing Representative

C11. Chaoyun Li and Laxiu Tian, 436192, 546378 (JH) +
For Petitioners: Chaoyun Li, Taxpayer
For Department: Scott Lambert, Hearing Representative

C12. Capital City Restaurants, Inc., 522640 (KH) +
For Petitioner: Mike Alizadeh, Taxpayer
For Department: Scott Lambert, Hearing Representative

For Petitioner: Paul Warner, Attorney

D. Special Taxes Appeals Hearings
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

D1. Daniel Frank Allen, 546385, 547969 (STF) +
For Petitioner/Claimant: Daniel Allen, Taxpayer
For Department: Erin Dendorfer, Tax Counsel

For Petitioner: Nanci Allen, Representative

D2a. Sandy Seybert, 598180 (STF) +
D2b. Sandy Seybert, 598183 (STF) +
For Petitioner: Alfredo Sotelo, Representative
For Department: Pamela Mash, Tax Counsel

E. Property Tax Appeals Hearings
There are no items for this matter.

F. Public Hearing

F1. Proposed Adoption of Sales and Use Tax Regulation 1525.4,
Manufacturing and Research & Development Equipment + ....... Mr. Kwee

The regulation 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.

G. Tax Program Nonappearance Matters – Consent
(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

G1. Legal Appeals Matters .......................................................... Mr. Angeja
  ➢ Hearing Notice Sent – No Response
  1. Ronald Avedisian, 434518 (AC)
  2. Behmard & Associate, Inc., 588418 (AP)
  3. Capital Cookery, Inc., 536609 (KH)
  4. Partnership of Bridget Riley Hicks and Fred Hicks, 558251 (UT)
5. Rory O’Brien, 625197 (UT)
6. Rogelio Ortiz, 489267 (KH)
7. Davood Rahnama, 562888, 579013 (DF)
8. RDB Enterprises, Inc., 603902 (KH)
9. T.B.A. Enterprises, Inc., 532453 (AR)
10. Harry K. Vernon, 562640 (UT)

➤ Hearing Notice Sent – Appearance Waived
11. Kiwi Stair, Inc., 602125 (KH)

➤ Petition for Release of Seized Property
12. Marizzelly De Jesus Aburto, 782694 (STF)
13. Moon Joo Kim, 782688 (STF)
15. Mian, Inc., 784989 (STF)

➤ Petitions for Rehearing
16. Magnum Breeze II, Inc., 538790 (EH)

G2. Franchise and Income Tax Matters................................. Mr. Thompson

➤ Hearing Notice Sent – No Response
1. Kristina L. Burke, 762690
2. Daniel F. Dong, 734198
3. Connie M. Quijada, 728755
4a. James V. Robertson, 731567
4b. Erik L. Hayes, 731576
4c. Jintau E. Two, 731578
4d. Benjamin F. Killen, 731591
4e. Eldo M. Klingenberg, Jr., 731595
4f. Carol Grant, 731600
4g. Richard T. Grant, Jr., 731604
4h. David C. Williams, 732520
4i. Dan Pickell, 730124
4j. John B. Holloway, 726945
4k. Champion Wiseman, 727532
4l. Marianne Pretsch-Johnson, 738918
4m. Steven Ertelt, 738690
4n. Rodney Walker, 727664
5. April Williams, 722869

➤ Hearing Notice Sent – Appearance Waived
6. Ross Peck and Lois Peck, 681037

➤ Decisions
7. Joyce Bandele, 732680
8. Bay Area Gun Vault, LLC, 631038
9. Commerce Avenue, LLC, 663753
10. Alberto A. Delpino, 576143
11. Randeep S. Dhillon and Kamalpreet Sidhu, 594206
12. John Thomas Gaiser, 605297
13. Bahram K. Ganjineh, 592007
14. Steven Garff and April Garff, 711211
15. Robert R. Jimenez, 600984
16. Kevin Jones, 712951
17. Roosevelt Madison and Paula Madison, 593006
18. Chiyoung Min, 636183
19. Sean M. Panter, 693108
20. Lynn Rivell, 602165
21. Elizabeth A. Stelzner, 661825
22. John K. Tollison and Kimberly Tollison, 596464
23. Harold L. Votey, Jr., 654986
24. Daniel F. Wald, 626421

- Petitions for Rehearing
25. Troy Jolliff, 638354
26. Ezzelino Pozzato, 604862

G3. Homeowner and Renter Property Tax Assistance Matters

There are no items for this matter.

G4. Sales and Use Taxes Matters.........................................................Mr. McGuire

- Relief of Penalty/Interest
  1. Coach, Inc., 804812 (OH)

- Grant-One Day Interest Relief
  2. Abel Chevrolet Pontiac Buick, Co., 804844 (JH)
  3. S.B. Restaurant, Co., 804816 (EA)
  4. Jeffrey Sean Samuels, 804843 (SO)
  5. SABA Holding Company, 804842 (OH)

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

- Credits and Cancellations
  1. Aero Union Corporation, 803775 (KH)
  2. Gilead Sciences, Inc., 807484 (BH)

- Refunds
  3. LBS Financial Credit Union, 785719 (EA)
  4. Harris Corporation, 740001 (OH)
  5. Halo Motor Company, 668920 (FH)
  6. Trimble Navigation, LTD, 782218 (GH)
  7. NWA Fuel Services Corporation, 610540 (OH)
  8. Inyo Crude, Inc., 594166 (DF)
  9. Ameron International Corporation, 803394 (EH)
 10. Mountain Counties Supply, Co., 800674 (KH)
11. Database Marketing Group, Inc., 799972 (EA)
12. E-One, Inc., 758246 (OH)
13. Samsung Telecomm America, LLC, 782231 (OH)
14. Avis Rent A Car System, LLC, 803392 (OH)
15. Rockwell Collins, Inc., 802791 (OH)
16. Fastcredit Financial, Inc., 636336 (AS)
17. Wells Fargo Auto Finance, LLC, 605537 (CH)
18. TSI Semiconductors America, LLC, 758243 (KH)
19. Carfinance Capital, LLC, 783418 (EA)

There are no items for the following matters:

G6. Special Taxes Matters
G7. Special Taxes Matters – Credits, Cancellations, and Refunds
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. Code, § 15626.)

H1. Legal Appeals Matters .......................................................... Mr. Angeja
    - Cases Heard Not Decided
      1. WCN, Inc., 491680 (AS) +
      2. Mark J. Weidhaas and Richard A. Weiner, 577043 (UT) +
    - Petitions for Rehearing
      3. Akop Jack Chichyan, Vicken Djeredjian, and Mnatsakan Mike Grigoryan, 388129 (STF) +

H2. Franchise and Income Tax Matters ........................................ Mr. Thompson
    - Hearing Notice Sent – No Response
      1. Sean Brunske, 597425
    - Decisions
      2. Charles P. Franklin, 417829
    - Section 40 (AB 2323) Matter
      3. Camino Medical Group, Inc., 719011+

There are no items for the following 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. Accettura Bros., Inc.
    2. Khachik Chris Chibilyan
    3. Inmar West Company, Inc.
    4. Cory Anthony Iturribarria
    5. Yong Heui Lee
    6. Rocio Ramos

I3. Local Tax Reallocation Matters
There are no items for this matter.
Chief Counsel Matters
Items that appear under these matters provide information to the Members and may require Board action or direction.

J. Rulemaking

Section 100 Changes

J1. Sales and Use Tax Regulation 1684, Collection of Use Tax by Retailers +.......................................................... Mr. Heller

Staff request for authorization to complete Section 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.

There are no items for the following matters:
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 ................................................................. Ms. Richmond
(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

N1. Retirement Resolutions +
• LaVern Harvey
• Liz Houser
• Steven C. Kamlin
• Judy M. Knight
• Mike Lorenz

N2. Adoption of Property Tax Form +
• BOE-571-W 2015 Wind Generation Property Statement

This is a new property statement that was developed to gather data from this emerging industry after consultation with assessors and industry.

O. Adoption of Board Committee Report and Approval of Committee Actions
There are no items for this matter.

P. Other Administrative Matters

P1. Executive Director’s Report ................................................. Ms. Bridges

1. Report on time extension to Napa County to complete and submit 2014/15 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155. +
2. Summons to Annual Meeting of the Board and County Assessors and Proposed Meeting Location .................. Mr. Gau
   Proposed change to the 2014 Board Meeting Calendar for November to add the annual Board/Assessors’ meeting in San Rafael, California, and to request approval to summon county assessors to such meeting with the Board to discuss issues relating to property assessment administration.

3. 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. 2014/15 Private Railroad Car Tax Rate ‘CF’ + ......................... Mr. Fitz
   Report on the computation of the tax rate applicable to the 2014/15 Private Railroad Car Tax Assessment.

2. Adoption of the 2014 Private Railroad Car Roll ‘CF’ ............... Mr. Gau
   Staff recommendation for the lien date 2014 assessment of private railroad cars under the provisions of the Private Railroad Car Tax Law.

3. Adoption of the 2014 State-Assessed Property Roll ‘CF’..... Mr. Gau
   Staff recommendation on the allocations of the unitary values adopted by the Board in May 2014, plus adjustments based on prior Board action and staff-recommended nonunitary values.

4. Assessment Practices Survey Program – Presentation of Modernization Reforms ................................................. Mr. Gau
   Changes to the Assessment Practices Survey Program to streamline the survey process and report and to increase transparency.

P5. Administration Deputy Director’s Report .......................... Ms. Murphy

1. Facilities Update
   A general update on the 450 N Street building may be provided.

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. Pending litigation: Greyhound Lines, Inc. v. California State Bd. of Equalization, and Does 1 through 25 inclusive, Superior Court of the State of California, County of Sacramento, Case No. 07CS00054 (Gov. Code § 11126(e)).

Q3. Discussion and action on personnel matters (Gov. Code, § 11126(a)).

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

Adjourn

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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.

++ Material will be available at a later date.

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