STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
February 24-26, 2015
NOTICE AND AGENDA
Meeting Agenda (as of 2/23/2015, 5:00 PM)

Agenda Changes

Webcast on Tuesday, February 24, 2015

Tuesday, February 24, 2015

9:30 a.m.  Pledge of Allegiance

Board Committee Meeting Convenes*

Board Meeting convenes upon Adjournment of the Board Committee Meeting**

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Board Committee Meeting*

Legislative Committee ................................................... Ms. Ma, Committee Chairwoman

I. 2015 Legislative Proposal

Set forth below is a suggestion for business taxes legislation to be sponsored by the BOE in the first year of the 2015-16 legislative session.

2015 Legislative Proposal: Business Taxes

2-2 Amend Revenue and Taxation Code (RTC) Section 7094 of the Sales and Use Tax Law and amend comparable statutes in the special tax and fee laws the Board of Equalization (BOE) administers to allow the BOE to (1) increase the levy amount the Taxpayers’ Rights Advocate is authorized to return from $1,500 to $2,300 to adjust for inflation and to provide a mechanism for future adjustments for inflation, and (2) extend this right to all persons, even when a jeopardy assessment has been issued.

II. 2015 Legislative Bill

Recommendations for Board Position

AB 203 — Fire Prevention Fee: Filing Deadline (Obernolte)
Board Meeting**

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

P. Other Administrative Matters

1. Executive Director’s Report ......................................................... Ms. Bridges
   1. 2015/16 Excise Tax Rate Adjustment for Motor Vehicle
      Fuel and Diesel Fuel (Fuel Tax Swap) + ......................... Mr. Durham
      Request approval of the new excise tax rates for motor
      vehicle fuel and diesel fuel (fuel tax swap) effective July 1,
      2015, which are required by current law to be adjusted by
      BOE on an annual basis.
   2. Approval of 2015/16 Diesel Fuel Tax Rate for Interstate
      Users Component b + .................................................... Mr. Durham
      Staff recommendation for setting the 2015/16 diesel fuel
      tax rate for interstate users component b.
   3. Prepayment Rate for Sales Tax on Motor Vehicle Fuel,
      Diesel Fuel and Jet Fuel + ............................................. Mr. Durham
      Section 6480.1 of the Revenue and Taxation Code requires
      the Board to determine annually by March 1, the rate at
      which sales tax on motor vehicle fuel, diesel fuel, and jet fuel
      is to be collected at the time such fuel is first distributed in
      the state during the twelve-month period beginning the
      following July 1.

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

   B2. Hesperian, LLC, 340169 +
       For Appellant: Ali Amidy, Representative
       Samuel D. Brotman, Attorney
       For Franchise Tax Board: Todd Watkins, Tax Counsel
       Michael Cornez, Tax Counsel
B3. Larry G. Dighera, 515547 +
For Appellant: Larry G. Dighera, Taxpayer
John Bostwick, Representative
Joseph A. Vinatieri, Attorney
For Franchise Tax Board: Raul Escatel, Tax Counsel
David Gemmingen, Tax Counsel

B4. Unified Precious Metals, Inc., 606172 +
For Appellant: Geoffrey A. Weg, Attorney
Philip S. Magaram, Attorney
For Franchise Tax Board: Marguerite Mosnier, Tax Counsel
Diane Ewing, Tax Counsel

B5. Maria Phillips (Santamaria-Del Campo) and Michael Del Campo, 741179 +
For Appellants: Maria Phillips, Taxpayer
Michael Del Campo, Taxpayer
For Franchise Tax Board: Marguerite Mosnier, Tax Counsel
Diane Ewing, Tax Counsel

B6. Millennium Dental Technologies, Inc., 747501 +
For Appellant: Patrick McCormick, Taxpayer
Blake E. Christian, Representative
Stacy Yamanishi, Representative
For Franchise Tax Board: Ian Foster, Tax Counsel
Michael Cornez, Tax Counsel

B7. Garrett J. Zelen, 800216 +
For Appellant: Garrett J. Zelen, Taxpayer
For Franchise Tax Board: Eric Yadao, Tax Counsel
Diane Ewing, Tax Counsel

B8. Steven B. Avery, 785074 +
For Appellant: Sherry Avery, Representative
Michael Yeager, Representative
For Franchise Tax Board: Eric Yadao, Tax Counsel
Fred Campbell-Craven, Tax Counsel

For Appellant: Jeffrey L. Eisikowitz, Representative
For Franchise Tax Board: Brian Werking, Tax Counsel
Marguerite Mosnier, Tax Counsel

B10. Joseph A. Sciarretta, 809250 +
For Appellant: Joseph A. Sciarretta, Taxpayer
For Franchise Tax Board: Brian Werking, Tax Counsel
Fred Campbell-Craven, Tax Counsel
B11a. William R. Dobkin and Donya Dobkin, 728014 +
B11b. Deborah M. Dobkin, 725828 +

For Appellants: William R. Dobkin, Taxpayer
Donya Dobkin, Taxpayer
Deborah M. Dobkin, Taxpayer

For Franchise Tax Board: David Gemmingen, Tax Counsel
Michael Cornez, Tax Counsel

C. **Sales and Use Tax Appeals Hearings**
These items are scheduled for Wednesday and Thursday, February 25-26, 2015.

D. **Special Taxes Appeals Hearings**
These items are scheduled for Thursday, February 26, 2015.

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

F. **Public Hearings**

F1. **Proposed Amendments to Sales and Use Tax Regulation 1533.2, Diesel Fuel Used in Farming Activities or Food Processing +** ... Mr. Smith

Public hearing regarding the adoption of proposed amendments to revise the definition of diesel fuel in Regulation 1533.2 to be consistent with the definition in the Diesel Fuel Tax Law.

F2. **Proposed Amendments to Sales and Use Tax Regulation 1598.1, Diesel Fuel Prepayment Exemption +** ... Mr. Smith

Public hearing regarding the adoption of proposed amendments to revise the definition of diesel fuel in Regulation 1598.1 to be consistent with the definition in the Diesel Fuel Tax Law.

F3. **Property Taxes - State Assessee’s Presentations on Capitalization Rates and Other Factors Affecting Values** ... Mr. Thompson

1. State assessees’ presentations on capitalization rates and other factors and procedures affecting 2015/16 property values of California public utilities, railroads, and pipelines.

   Speaker: Peter Michaels, Law Office of Peter Michaels

2. Private railroad car assessees’ presentations on factors and procedures affecting 2015/16 taxable values of private railroad cars.
G. **Tax Program Nonappearance Matters – Consent**
(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

G1. Legal Appeals Matters ................................................................. Mr. Angeja
- Petitions for Release of Seized Property
  1. Doo Hyun Sung, 849689 (STF)
  2. Charkha Liquors, Inc., 854585 (STF)
  3. L & W Liquor Corporation, 852225 (STF)
  4. Lawand Distribution, Inc., 850268 (STF)

G2. Franchise and Income Tax Matters ........................................... Mr. Epolite
- Hearing Notice Sent – No Response
  1. Dr. Roth’s Footcare Products, LLC, 746877
- Decisions
  2. Amber Anderson and Brandon White, 759253
  3. Michael L. Becker, 796404
  4. Carole A. Fielder, 742241
  5. Mark N. Fiore, 668140
  6. Cindy Garcia, 796624
  7. Garden Center Cafe, Inc., 796321
  8. Donald Phillip Goode and Cheryl Lea Stout-Goode, 796684
  9. Udayasuryan Kodoly, 772616
  10. Hugh Lewis and Courtney L. Baber, 796706
  11. Ram Malik, 772093
  12. Ahmad S. Mazumder, 797300
  13. Brian E. Oerly, 769828
  14. Anthony Peters, 774830
  15. John T. Poon, 789456
  16. Ravisante, Inc., 790841
  17. RTTEMPS, LLC, 800205
  18. Ahmad Shah, 785085
  19. Markus Taylor, 804631
  20. Christopher M. Willick, 791775

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. Regency Enterprises, Incorporated, 795785 (AC)
  2. John Dovalis Gantes, 574744 (EH)
  3. Benihana Ontario Corp., 724084 (OH)
  4. Benihana National Corp., 724080 (OH)
  5. Wunderlich-Malec Systems, Inc., 743620 (OH)
- Relief of Penalty/Interest
  6. Hewlett-Packard Financial Services Company, 852772 (OH)
  7. Siemens Energy, Inc., 852773 (OH)
  8. EDP Renewables North America, LLC, 852774 (OH)
  9. Jinkosolar (U.S.), Inc., 852776 (BH)
Denials of Claims for Refund
10. Nissan Motor Acceptance Corp., 737456 (OH)
11. Terra Properties, Inc., 845675 (OH)
12. Cellco Partnership, 744169 (OH)

Grant-One Day Interest Relief
13. ASA Computers, Inc., 852778 (GH)
14. TC Dugan Enterprises, Inc., 852779 (FH)

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

Credits and Cancellations
1. Dionex Corporation, 850442 (GH)
2. Raymond Harry Simmons, 854681 (AS)
3. Alejandro Uribe Gardiel, 850994 (SO)

Refunds
4. Nissan Motor Acceptance Corp., 737456 (OH)
5. Terra Properties, Inc., 845675 (OH)
7. CGI Technologies & Solutions, Inc., 574943 (OH)
8. Mercedes-Benz USA, LLC, 852523 (KH)
9. Ajinomoto Althea, Inc., 851124 (FH)
10. Cellco Partnership, 744169 (OH)
11. Amgen USA, Inc., 718192 (AR)
13. J.C. Bromac Corp., 774383 (AS)
14. Oracle America, Inc., 850483 (BH)
15. An Fremont Luxury Imports, Inc., 539395 (CH)
16. Liftech Elevator Services, Inc., 851126 (AA)
17. Autozone Parts, Inc., 772184 (OH)
18. Ally Bank, 620465 (OH)
19. Tektronix Texas, LLC, 846285 (OH)
20. Yellowpages.com, LLC, 843102 (OH)
21. Grandway Investment, Inc., 846593 (AP)
22. Megapath Corporation, 810335 (GH)

G6. Special Taxes Matters ..........................................................................................................................Ms. Bartolo

Redeterminations
1. HPT TA Properties Trust, 711688 (STF)

There are no items for the following 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. Elite Cert' Auto Service & Tires, Inc., 550595 (EA) +

H2. Franchise and Income Tax Matters ............................................. Mr. Epolite  
   > Decisions  
   1. Capitola Mall Associates, LP, 681023

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  
   1a. Nasira Begum  
   1b. Syed Imitiaz Nawab  
   2. Susan Alice Bakewell  
   3. Barbara L. Brown  
   4. Sokwon Choe  
   5. Farmacia Remedios, Inc.  
   6. James Louis Lombardi  
   7. Lillian Lien Nguyen  
   8. Hilford Lloyd Phillips  
   9. Jose Alberto Rodriguez  
   10. Roxana Valdivia  
   11. Chin Long Robert Wang  
   12. In Ja Yoon

I3. Local Tax Reallocation Matters  
   There are no items for this matter.
Chief Counsel Matters
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J. Rulemaking
Section 100 Changes
J1. Sales and Use Tax Regulation 1621, Sales to Common Carriers + .............................. Mr. Tucker

Staff request for authorization to complete Rule 100 changes to make the regulation consistent with revisions to section 6385 of the Revenue and Taxation Code effective September 11, 2012.

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

Administrative Session
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N. Consent Agenda ................................................................. Ms. Richmond
(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)
N1. Retirement Resolution +
   • Laura Bowman-Dirrim

N2. Approval of Board Meeting Minutes
   • January 21, 2015 +

N3. Proposed Revision to Audit Manual (AM), Chapter 2, Preparation of Field Audit Reports +

O. Adoption of Board Committee Report and Approval of Committee Actions
O1. Legislative Committee

P. Other Administrative Matters
P1. Executive Director’s Report .................................................. Ms. Bridges

4. Taxpayers’ Rights Advocate’s 2013/14 Property and Business Taxes Annual Report + .................. Mr. Gilman

   Presentation of Annual Report highlighting Taxpayers’ Rights Advocate Office accomplishments, involvement in projects, current issues, and examples of cases illustrating services provided.

5. CROS Project Update and Actions ....................................... Mr. Gau

   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
P5. Administration Deputy Director’s Report
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 Wednesday, February 25, 2015, 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 email: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

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

C1.  En Pointe Technologies Sales, Inc., 532130 (AS) +
For Petitioner: Robert A. Mercer, Taxpayer
Richard B. Taylor, Representative
Gina Lim, Representative
For Department: Bradley Heller, Tax Counsel

C2.  Laleh Enterprises, Inc., 469308 (AC) +
For Petitioner: Joseph Boodaie, Representative
For Department: Scott Lambert, Hearing Representative

C3.  James Eugene Goldstein, 442332 (AC) +
For Petitioner: James Goldstein, Taxpayer
Warren Nemiroff, Attorney
For Department: Kevin Smith, Tax Counsel

C4.  Y.N.V., Inc., 573642 (AS) +
For Petitioner: Waived Appearance
For Department: Nenita DeLaCruz, Hearing Representative

C5.  Flying Goat Coffee (419) L.P., 611323 (JH) +
For Petitioner: Graham Hoad, Representative
For Department: Scott Lambert, Hearing Representative
C6. Ruthy Aghabi and Issa Aghabi, 620839 (AC) +
    For Petitioners: Issa Aghabi, Taxpayer
    For Department: Scott Lambert, Hearing Representative

C7. Ace Service Centers, 625359 (FH) +
    For Petitioner: Mark Pugh, Taxpayer
    For Department: Steve Williams, Representative

C8. Gold Star Equipment Rentals, Inc., 592213 (EH) +
    For Petitioner: Erika Peterson, Attorney
    For Department: Andrew Kwee, Tax Counsel

C9. Hezghiaho Aharon Investment, Inc., 611158 (AR) +
    For Petitioner: Joseph Boodaie, Representative
    For Department: Nenita DeLaCruz, Hearing Representative

Recess - The meeting will reconvene on Thursday, February 26, 2015, at 9:30 a.m.

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Joann Richmond, Chief
Board Proceedings Division
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C.  Sales and Use Tax Appeals Hearings
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

C10.  Jalidat, Incorporated, 476422 (AC) +
  For Petitioner:  Andre Van Der Valk, Representative
  For Department:  Scott Lambert, Hearing Representative

C11.  Sahaki, Inc., 610480 (EH) +
  For Petitioner:  Kim H. Do, Representative
  For Department:  Scott Lambert, Hearing Representative

C12a.  Randolph Hope Bruce Murad, 404667 (FH) +
C12b.  Michelle Pauline Murad, 404668 (FH) +
  For Petitioners:  Randolph Murad, Taxpayer
                  Michelle Murad, Taxpayer
                  Virginia Sunelli, Representative
                  Richard Vermazen, Attorney
  For Department:  Scott Claremon, Tax Counsel

C13.  Azim Shaalemi, 521073 (AC) +
  For Petitioner:  Azim Shaalemi, Taxpayer
  For Department:  Scott Lambert, Hearing Representative
   For Petitioner: Ryon Rickard, Taxpayer  
   For Department: Andrew Kwee, Tax Counsel  

C15. Pacific Paradise Nursery, Inc., 518628, 576425 (EA) +  
   Petitioner: Robert Mills, Attorney  
   Sarah Smith, Witness  
   For Department: Kevin Smith, Tax Counsel  

C16. Dastigir G. Omar, 609881 (EH) +  
   For Petitioner: Dastigir G. Omar, Taxpayer  
   Linus Amrikwa, Representative  
   For Department: Scott Lambert, Hearing Representative  

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

D1. Adil Alfonse Khilla, 391101 (STF) +  
   For Petitioner: Adil A. Khilla, Taxpayer  
   For Department: Pamela Mash, Tax Counsel  

D2. Solar American Transfers, Inc., 512177 (STF) +  
   For Petitioner: Hong Yao Sun, Taxpayer  
   For Department: Kevin Smith, Tax Counsel  

Adjourn  

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