STATE BOARD OF EQUALIZATION MEETING  
450 N Street, Room 121, Sacramento  
March 25-26, 2015  
NOTICE AND AGENDA  
Meeting Agenda (as 3/25/2015, 3:00 PM)  

Agenda Changes  
Webcast on Wednesday, March 25, 2015  
Wednesday, March 25, 2015  

10:00 a.m.  Pledge of Allegiance  

Board Committee Meetings Convene*  

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

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 Committee Meetings*  

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: Special Taxes and Fees  

4-5 Amend Revenue and Taxation Code (RTC) Section 42010 to (1) clarify that direct sellers must electronically report the emergency telephone users surcharge portion of the prepaid Mobile Telephony Services (MTS) surcharge to the Board of Equalization (BOE) pursuant to the Emergency Telephone Users (911) Surcharge Act, and (2) specify the account or fund into which direct seller remittances are deposited. Amend RTC 42023 to add clarifying expenditure language and the agency responsible to allocate moneys deposited into the Prepaid MTS 911 Account and Prepaid MTS PUC Account, respectively. (Housekeeping)
II. 2015 Legislative Bills

Recommendations for Board Position

AB 160 Criminal Profiteering: Tax Fraud (Dababneh)
AB 203 Fire Prevention Fee: Filing Deadline (Obernolte)
AB 405 Interest Equalization (Brough)
AB 582 Entrepreneur Partnership Act of 2015 (Calderon)
AB 717 Sales and Use Tax: Exemption: Diapers (Gonzalez)
AB 1157 Property Tax: Certificated Aircraft Assessment (Nazarian)
SB 24 STAKE Act: e-cigarettes (Hill)
SB 250 Fire Prevention Fee: Filing Deadline (Gaines)
SB 433 Fuel Tax Swap: Rate Setting: Department of Finance (Berryhill)
SB 480 Property Tax: Heavy Equipment Rental Tax (Pan)
SB 661 Property Tax: State Assessment: Commercial Air Carriers Personal Property (Hill)
SR 18 Relative to the Tax Recovery and Criminal Enforcement Task Force (Pan)

Customer Service and Administrative Efficiency Committee

1. Discussion of lessons learned from the BreEZe Program Audit.

Property Tax Committee

1. Adoption of Assessors’ Handbook Section 506, Property Tax Audits and Audit Program

Adoption of Assessors’ Handbook to provide guidance on property tax audits conducted by county assessors’ staff, and development of efficient audit programs within the counties.

2. Property Tax Welfare Exemption for Low-Income Housing Property

Proposed Letter to Assessors on the Welfare Exemption Low-Income Housing Property Partial Exemptions.

Board Meeting**

Special Presentation

➢ Governor’s Employee Safety Award + ........................................... Ms. Bridges

A group of five Board of Equalization employees have been awarded the Governor’s Employee Safety Award. This is to recognize those employees and present them with their awards.
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. Esther Korman, 680322 +
   For Appellant: Bradley Marsh, Attorney
   For Franchise Tax Board: Ciro Immordino, Tax Counsel
   David Gemmingen, Tax Counsel

B2. Peter St. Geme and Polly Plumer St. Geme, 693089 +
   For Appellants: Peter St. Geme, Taxpayer
   For Franchise Tax Board: David Muradyan, Tax Counsel
   Marguerite Mosnier, Tax Counsel

B3. Joseph W. Valva and Marilyn K. Valva, 719017 +
   For Appellants: Joseph W. Valva, Taxpayer
   For Franchise Tax Board: Maria Brosterhous, Tax Counsel
   Diane Ewing, Tax Counsel

B4. Johnnie F. Lau and Gay L. Lau, 739838 +
   For Appellants: Johnnie F. Lau, Taxpayer
   Gay L. Lau, Taxpayer
   Rex Halverson, Attorney
   For Franchise Tax Board: Brian Miller, Tax Counsel
   Ron Hofsdal, Tax Counsel

B5. Ehud Yuhjtman and Dalia Yuhjtman, 772960 +
   For Appellants: Ehud Yuhjtman, Taxpayer
   Dalia Yuhjtman, Taxpayer
   For Franchise Tax Board: Andy Amara, Tax Counsel
   Mary Yee, Tax Counsel

B6a. Rago Development Corporation, 735761 +
B6b. Fredrick M. Wooster and Mary L. Wooster, 727483 +
B6c. Paul H. Verriere and Patricia R. Verriere, 727493 +
B6d. Michael J. Smith and Lynn M. Smith, 725834 +
B6e. Louis Rago and June E. Rago, 725839 +
B6f. Martin Bramante and Estate of Velia Bramante, 632713 +
B6g. Frank Sabella, 633944 +
B6h. Louis La Torre Living Family Trust, Louis La Torre Trustee, 633028 +
   For Appellants: Edward Kaplan, Attorney
   Donald L. Feurzeig, Attorney
   Melvyn I. Mark, Attorney
   For Franchise Tax Board: David Gemmingen, Tax Counsel
   Ciro Immordino, Tax Counsel
B7. Kamaldip S. Ghei, 796875 +
For Appellant: Kamaldip S. Ghei, Taxpayer
Kellen Furlin, Representative
For Franchise Tax Board: Joel Smith, Tax Counsel
Mary Yee, Tax Counsel

B8. Thomas L. Wilson, 780908 +
For Appellant: Thomas L. Wilson, Taxpayer
For Franchise Tax Board: Joel Smith, Tax Counsel
Diane Ewing, Tax Counsel

C. **Sales and Use Tax Appeals Hearing**
These matters are scheduled for Thursday, March 26, 2015.

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

F. **Public Hearing**

F1. **Proposed Adoption of Amendments to Regulation 1685.5, Calculation of Estimated Use Tax - Use Tax Table +**

Public hearing regarding the adoption of proposed amendments to update the definition of the average state, local, and district sales and use tax rate.

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. Nasser Abo Abdo, 595707 (EA)
  2. Hafid Alaoui, 588302 (EH)
  3. Abdulla Abdo Alnajar, 766851 (CH)
  4. Gilbert Mark Berhold, 536919 (KH)
  5. CBS Food Store, Inc., 576217 (DF)
  6. Celebrity Vault, Inc., 547194 (AC)
  7. Malin Dell’Amico, 529566 (AS)
  8. Grand Saz Global, Inc., 524911, 533816 (AS)
  9. Ralph Joseph Haas, 530138 (EH)
  10. Ben Kanter, 373937 (EH)
  11. Manh Van Le, 538190 (KH)
  12. Brian Charles Lutz, 635956 (EA)
  14. McCall & Smith, LLC, 601096, 767949 (JH)
  15. David Everette McCall, 601100, 767947 (JH)
16. Aris Manukian, 572575 (STF)
17. Christopher Michael Paolini and Diane Carol Paolini, 586761 (EH)
18. Heather Ann Perini, 529565 (AS)
19. Rizza Marie Cancio Punzalan and Max Leung, 554317 (BH)
20. Rodriguez Enterprise, Inc., 566739 (FH)
21. Adel Saman Safi, 589953 (EH)
22. Vathana Sirisouk, 610386 (JH)
23. Mary Christiane Taylor, 609419 (AC)
24. Jose Carmen Magallanes Velad, 608302 (AS)
25. Mohammad Abdizadeh and William G. Morschauser, 490121 (STF)
26. Peter Fong, 486373 (STF)
27. LMS International, Inc., 609875 (STF)

Petition for Release of Seized Property
28. Sor Lo, 854778 (STF)
29. Phong H. Phung, 855517 (STF)

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

Hearing Notice Sent – No Response
1. Henry Liu and Marsha M. Valencia, 804856
2. Shirley A. Warren and Chester L. Warren, 795262
3a. David C. Williams, 780911
3b. Rodney Walker, 779775

Decisions
4. Tristan Abbott and Lisa Abbott, 771805
5. Kathy Bell, 812216
6. Robert Brock and Megan Brock, 809851
8. Jesus Castro, 605759
9. Mary Rose Cruz, 766854
10. Olusoji Fanoiki, 793925
11. Julie L. Grau, 790543
12. Christine Loughridge (Stouffer), 600512
13. Chelsea Matthews, 795627
14. Kevin Jay Myers, 809893
15. Jung H. Park and Gabrea Park, 529805
16. Fatoumata Sillah, 807766
17. Michael Verheyden, 819031

Petitions for Rehearing
18. Shih Jung Bai and Claudia Y. Bai, 717459
19. Daxius Gregory, 740006
20. Andre Jackson, 741548

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. Sunway Floors, Inc., 625834 (BH)
      2. ACME Furniture Industry, Inc., 613312 (AP)
      3. Los Altos Meat Market, Inc., 790639 (EH)
   ➢ Denials of Claim for Refund
      4. Cardinal Health Solutions, Inc., 553663 (FH)
   ➢ Grant-One Day Interest Relief
      5. Norman’s Men & Boys, Inc., 856310 (AA)
      6. Megan Gutierrez, 856317 (GH)
      7. Aeroglide Corporation, 856313 (OH)
      8. A.P. Scott, Inc., 856311 (AR)
      9. Conergy, Inc., 856314 (OH)
     10. West Coast Professional Door, Inc., 856315 (JH)
     11. Peju Family Operating Partnership, LP, 856312 (JH)

G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds ...........................................Mr. McGuire
   ➢ Credits and Cancellations
      1. Euro-Asian Furnishings, Inc., 854607 (EA)
      2. Auto America, Inc., 852859 (KH)
   ➢ Refunds
      3. Center Automotive, Inc., 773998 (AC)
      4. Trend Offset Printing Servs, Inc., 850070 (EA)
      5. Hoag Memorial Hosp. Presbyterian, 763898 (EA)
      6. Duralum Products, Inc., 850038 (KH)
      7. Veolia Transportation Maintenance & Infrastructure, 851486 (UT)
      8. BTE Equipment, LLC, 852841 (OH)
      9. Mansfield Oil Co. of Gainsville, Inc., 594152 (OH)
     10. Owens & Minor Distribution, Inc., 714319 (OH)
     11. Eplus Technology, Inc., 821903 (OH)
     12. Pacific Gas and Electric Company, 852681 (BH)
     14. United Healthcare Services, Inc., 607812 (OH)
     15. Lobel Financial Corporation, 851600 (EA)
     16. Schneider Electric Buildings, LLC, 852680 (OH)
     17. Cardinal Health Solutions, Inc., 553663 (FH)
     18. Carfinance Capital, LLC, 852226 (EA)

G6. Special Taxes Matters .......................................................................................... Ms. Bartolo
   ➢ Redeterminations
      1. Chevron Marine Products, LLC, 567001 (STF)

G7. Special Taxes Matters – Credits, Cancellations, and Refunds .................................. Ms. Bartolo
   ➢ Credits and Cancellations
      1. Convenience Retailers, LLC, 594156 (STF)
   ➢ Refunds
      2. Larizadeh Properties, LLC, 591952, 596444, 636038, 727992, 758121 (STF)
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. Code, § 15626.)

H1. Legal Appeals Matters
There are no items for this matter.

H2. Franchise and Income Tax Matters ............................................ Mr. Epolite
   ➢ Decisions
   1. Frances Diaz, 605995
   2. Camille Mahan, 785311

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...............................................................Mr. Kinnee
   ➢ Audits
   1. Cabrillo Power I, LLC (1106) ‘CF’
   2. NRG Delta, LLC (1109) ‘CF’
   3. NRG California South LP – Ormond Beach (1115) ‘CF’
   4. NRG California South LP – Etiwanda (1116) ‘CF’
   5. High Desert Power Trust (1127) ‘CF’
   8. Telmex USA, LLC (7866) ‘CF’
   9. Ponderosa Cablevision (7894) ‘CF’
   10. Cable and Wireless Americas Operations, Inc. (8005) ‘CF’
   11. Vertex Telecom, Inc. (8057) ‘CF’
   ➢ Roll Changes
I2. **Offer in Compromise Recommendations**

   Mr. Anderson
   1. Donald James Chamberlin
   2. Eric Anthony Guidice
   3. Michael Hamid Hedayat
   4. Dharmendra Kumar
   5a. Thy Thi Le
   5b. Phi Nam Nguyen
   6. Alicia Gavino Paras
   7. Pink Bridal & Lingerie, Inc.
   8. Maria Esther Polack
   9. V & G Collective

I3. **Local Tax Reallocation Matters**

   There are no items for this matter.

**Chief Counsel Matters**

The following items are scheduled for Thursday, March 26, 2015.

J. **Rulemaking**

   There are no items for the following matters:

   K. **Business Taxes**
   L. **Property Taxes**
   M. **Other Chief Counsel Matters**

**Administrative Session**

The following matters are scheduled for Thursday, March 26, 2015.

N. **Consent Agenda**

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

   P. **Other Administrative Matters**

Q. **Closed Session**

   These matters are scheduled for Thursday, March 26, 2015.

**Recess** - The meeting will reconvene on Thursday, March 26, 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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The hearing location is accessible to people with disabilities. Please contact Rose Smith at (916) 323-9656, or email Rose.Smith@boe.ca.gov if you require special assistance.

Joann Richmond, Chief
Board Proceedings Division

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** 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, March 26, 2015

Thursday, March 26, 2015

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

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Board Meeting**

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

C1.  Dora, LLC, 513022 (DF) +
     For Petitioner:  Pedro Jimenez, Taxpayer
                     Juan Benavides, Witness
                     Robert L. Goldstein, Attorney
                     Framta Saechao, Attorney
     For Department:  Scott Lambert, Hearing Representative

C2a.  Rohan and Sagar, Inc., 561882 (CH) +
C2b.  Sagar Emporium, Inc., 562126 (CH) +
     For Petitioners:  Varsha Patel, Taxpayer
                        Reuben Kanhai, Taxpayer
     For Department:  Scott Lambert, Hearing Representative

C3.  Surjit Singh and Kanwalpreet Singh, 547502, 562417 (DF) +
     For Petitioners:  Gary Kimzey, Representative
     For Department:  Scott Lambert, Hearing Representative

C4.  Imran Mullick, 690128 (BH) +
     For Petitioner:  Imran Mullick, Taxpayer
     For Department:  Nenita DeLaCruz, Hearing Representative
Chief Counsel Matters
Items that appear under these matters provide information to the Members and may require Board action or direction.

J. Rulemaking

J1. Petition to repeal Sales and Use Tax Regulation 1585, *Cellular Telephones, Pagers, and Other Wireless Telecommunication Devices* + Mr. Heller

Petition to repeal Regulation 1585 in its entirety or, alternatively, to repeal subdivisions (a)(3) and (4), (b)(3) through (6), and (c) of Regulation 1585.

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 +
   - Patricia A. Borden
   - Marilyn Byrne
   - Keith S. Chatprapachai

N2. Approval of Board Meeting Minutes +
   - February 24-26, 2015 +

N3. Proposed Revisions to Compliance Policy and Procedures Manual (CPPM) Chapter 1, General +


N5. 2015-2018 Timber Advisory Committee Membership +

Approval of the 2015-2018 Timber Advisory Committee Appointments.

O. Adoption of Board Committee Reports and Approval of Committee Actions
O1. Legislative Committee
O2. Customer Service and Administrative Efficiency Committee
O3. Property Tax Committee
P. Other Administrative Matters

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

1. 2014/15 State Employees Food Drive Results +
The Co-Chairs of the 2014/15 State Employee Food Drive
will present the successful results of this year’s annual Food
Drive.

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

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

1. Inter-Con Security Systems, Inc., Contract Update
Information will be provided on this contract that provides
unarmed security guard services for the Board.

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 of Master Settlement Agreement Tobacco Litigation
(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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+ 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.