STATE BOARD OF EQUALIZATION MEETING  
450 N Street, Room 121, Sacramento  
April 28-29, 2015  
NOTICE AND AGENDA  
Meeting Agenda (as of 4/28/2015 12:00 PM)

Agenda Changes

Webcast on Tuesday, April 28, 2015

Tuesday, April 28, 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 Bills

Recommendations for Board Position

<table>
<thead>
<tr>
<th>Bill</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>AB 88</td>
<td>Sales and Use Tax: Exemption: Energy or Water Efficient Appliances (Gomez)</td>
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<tr>
<td>AB 89</td>
<td>Sales and Use Tax: Exemption: Public Schools (Allen)</td>
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<tr>
<td>AB 160</td>
<td>Criminal Profiteering: Tax Fraud (Dababneh)</td>
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<tr>
<td>AB 681</td>
<td>Property Tax: BOE: Survey: Assessment Practice and Procedures (Ting)</td>
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<tr>
<td>AB 748</td>
<td>Property Tax: Exemption: Public Schools (Lackey)</td>
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<tr>
<td>AB 756</td>
<td>Small Business: Penalty Waiver (Chang)</td>
</tr>
<tr>
<td>AB 961</td>
<td>Income Tax: Credit: California Competes (Gallagher)</td>
</tr>
<tr>
<td>SB 140</td>
<td>STAKE Act: e-Cigarettes (Leno)</td>
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</tbody>
</table>
SB 321  Fuel Tax Swap: Rate Change Frequency (Beall)
SB 433  Fuel Tax Swap: Rate Setting: Department of Finance (Berryhill)
SB 540  Franchise Tax Board: Taxpayers’ Rights Advocate (Hertzberg)
SB 591  California Tobacco Tax Act of 2015 (Pan)
SB 640  Sales and Use Tax: Direct Refund of Excess Tax Reimbursement (Beall)

II. Discussion Item
Revenue Estimate for Sales Tax on Services.

Business Taxes Committee ..................................... Ms. Harkey, Committee Chairwoman

1. Proposed Amendments to Regulation 1505, Morticians
   Request approval and authorization to publish proposed amendments to update the general information, tax rates, and examples in Regulation 1505, Morticians.

Board Meeting**

Special Presentation

➢ Presentation of Board Resolution + ................................................. Ms. Harkey
   Ted Matthies, Board Member’s San Diego Office

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. Jennifer Rice and Richard Rice, 841158 +
       For Appellants: Jennifer Rice, Taxpayer
                   Richard Rice, Taxpayer
       For Franchise Tax Board: Eric Brown, Tax Counsel
                                Marguerite Mosnier, Tax Counsel

   B2. Angelia Avila, 818764 +
       For Appellant: Angelia Avila, Taxpayer
                    Kaliah Kirkland, Representative
       For Franchise Tax Board: Asaf Kletter, Tax Counsel
                                Marguerite Mosnier, Tax Counsel
B3.  Todd Bentley and Kate Bentley, 593582 +
For Appellants: Todd Bentley, Taxpayer
For Franchise Tax Board: Natasha Page, Tax Counsel
                     Fred Campbell-Craven, Tax Counsel

For Appellants: Michelle LaPena, Attorney
For Franchise Tax Board: Maria Brosterhous, Tax Counsel
                     Fred Campbell-Craven, Tax Counsel

C.  Sales and Use Tax Appeals Hearings
These items are scheduled for Wednesday, April 29, 2015.

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

F.  Public Hearings
F1.  Property Taxes - State Assessees’ Presentations on the
Valuation of State-Assessed Properties............................. Mr. Thompson

The Board will hear state assessees’ presentations on the
valuation of state-assessed properties.
Speaker: Peter W. Michaels, Law Offices of Peter Michaels
representing State-Assessed Gas/Electric,
Intercounty Pipeline, Telephone and Railroad
Companies

F2.  Proposed Adoption of Amendments to Regulation 1591, 
Medicines and Medical Devices +..................................................Mr. Heller

The proposed amendments clarify the meaning of “approved by the
United States Food and Drug Administration” and include medical
devices implanted in the human body to mark the location of a
medical condition, such as breast tissue markers, in the definition of
medicines.

F3.  Proposed Amendments to Property Tax Rule 308.6, Application
for Equalization by Member, Alternate Member, or Hearing
Officer + ..................................................................................Mr. Heller

Public hearing regarding proposed amendments to clarify the
current conflict of interest provisions applicable to county property
tax assessment appeals.
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. Nasef Ahmed, 639463 (BH)
     2. Breen Enterprises, Inc., 602146 (FH)
     3. Kingdom Holdings, LLC, 602151 (EA)
     4. Kiwi Stair, Inc., 602125 (KH)
     5. Max Tires, Inc., 610722 (AP)
     6. RVCA Corporation, 742762 (EA)
     7a. Scot McBriar, 647378 (STF)
     7b. Scot McBriar, 647379 (STF)
   ➢ Petitions for Release of Seized Property
     8. Ahmed Saeed Dobashi, 859831 (STF)
     9. Zaytoon Market and Deli, LLC, 856886 (STF)

G2. Franchise and Income Tax Matters ................................. Mr. Epolite
   ➢ Hearing Notice Sent – No Response
     1. Bruce H. Thomas, 803214
   ➢ Hearing Notice Sent – Appearance Waived
     2. A. Salam Qureishi and Naheed F. Qureishi, 789454
   ➢ Decisions
     3. Pamela E. Abaunza and Jorge A. Salguero, 800513
     4. Andrea S. Beckman and Alan R. Beckman, 793869
     5. Angelica Caguin, 794485
     6. Richard Chun, 724101
     7. William J. Delia, 796431, 800224
     8. John F. Estrada and Consuelo V. Estrada, 793450
    10. Jack G. Hiehle, 756886
    11a. Gabrielle Keil, 737047
    11b. Russell D. Keil, Jr. and Julia B. Keil, 737049
    11c. Mary K. Hynes, 737050
    12. Ryan Kendl, 758165
    13. James King and Lili King, 825474
    14. Sasheen R. Montano, 827686
    15. Michael C. Perham, 779201
    16. Benjamin A. Pezzillo, 800514
    17. Javad Sabokpey and Esther Sabokpey, 815438
    18. Saintsbury, LLC, 817488
    19. Jim C. Salas, 812484
    20. Florence D. Vinluan, 796078
    21. Jerold Volk and Sharon Volk, 812263
   ➢ Petitions for Rehearing
     22. Hilario D. Gonzales and Dawn N. Melkus Gonzales, 620569
     23. Jay A. Greek, 773291
24. Jessie Y. Lee, 721067
25. James D. Morgan, 762099

G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.

G4. Sales and Use Taxes Matters

- Redeterminations
  1. Benihana International, Inc., 724090 (OH)
  2. William Ames, 439819 (GH)
  3. Kemira Water Solutions, Inc., 680352 (OH)

- Relief of Penalty/Interest
  4. Apro, LLC, 859832 (AS)
  5. Raley’s, 859833 (JH)

- Grant-One Day Interest Relief
  6. Flory Industries, 859830 (KH)
  7. Lightwerks Communication Systems, Inc., 859834 (AS)
  8. Anthony Joe Lewis, 859835 (KH)
  9. Gotham Enterprise, LLC, 859836 (BH)
 10. KB Wines, LLC, 859837 (JH)

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

- Credits and Cancellations
  1. CTC Liquidation, Inc., 857542 (BH)
  2. William Janney Berkley Jr., 561981 (FH)
  3. Ronald Brian Autrand, 799302 (CH)
  4. Yvette M. Allaf, 816850 (AC)
  5. JW Tech, Inc., 859300 (EA)
  6. Global Fuel, LLC, 857081 (GH)
  7. Andover Printing Services LTD., 563146 (BH)

- Refunds
  8. Autozone West, Inc., 740666 (OH)
 10. General Atomics, 857743 (FH)
 11. Fair Isaac & Company, Inc., 859248 (OH)
 12. The Golden 1 Credit Union, 854734 (KH)
 13. Valley First Credit Union, 803977 (KH)
 14. Schoeneckers, Inc., 792091 (OH)
 16. US Airways, Inc., 851206 (OH)
 17. Chevrolet Motor Division, 855910 (OH)
 18. BMW of North America, 857201 (OH)
 19. BMW of North America, 857476 (OH)
 20. The Wella Corporation, 857861 (OH)
 21. Chevron Phillips Chemical Co. LP, 795265 (OH)
 22. Corinthian Schools, Inc., 562088 (EA)
 23. Corinthian Schools, Inc., 862271 (EA)
24. SCE Federal Credit Union, 609308 (AP)
25. Silver Cinemas Acquisition Co., 778643 (AS)
26. WM Bolthouse Farms, Inc., 796725 (DF)
27. TD Auto Finance, LLC, 575845 (OH)
28. Artistree, Inc., 742277 (OH)
29. Rockwell Automation, Inc., 823080 (OH)

G6. Special Taxes Matters ............................................................... Ms. Bartolo
   ➢ Relief of Penalty
   1. AIG Property Casualty Company, 857811 (STF) ‘CF’
   ➢ Relief of Interest
   3. Verizon Business Network Services, Inc., 861015 (STF)

G7. Special Taxes Matters – Credits, Cancellations, and Refunds ......................................................... Ms. Bartolo
   ➢ Refunds
   1. Nationwide Mutual Insurance Co., 737053 (STF) ‘CF’
   2. Constellation Brands US Operation, 801516 (STF) ‘CF’
   3. Constellation Brands US Operation, 842943 (STF) ‘CF’
   5. Massachusetts Mutual Life Insurance Co., 851835 (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. Code, § 15626.)

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

H2. Franchise and Income Tax Matters ............................................. Mr. Epolite
   ➢ Petitions for Rehearing
   1. Frank Cutler, 400347

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
   ➢ Audit
   1. Citizens Telecommunications Company of California, Inc. (0284) 'CF'
   2. Legacy Long Distance International, Inc. (7699) 'CF'
   3. China Telecom (Americas) Corporation (8015) 'CF'
   4. Extenet Systems (California), LLC (8093) 'CF'
   5. CalPop.Com, Inc. (8132) 'CF'

I2. Offer in Compromise Recommendations........................................ Mr. Anderson
   2a. Cedar Gas and Smog, Inc.
   2b. Mohamad Homer Majid
   3a. Bradley Raymond Evarts
   3b. Yellow Coyote Food Company, L.P.
   4a. Joseph Peter Frumenti
   4b. G. J. P. F., Inc.
   5. Lih Hwan Hsu
   6. Lih Yeu Hsu
   7. In Soho, Inc.
   8. Hratch Chacri Koulloukian
   9a. Woody Oakley
   9b. Patricia Ann Oakley
   9c. California Drywall Supply, Inc.
   10. Francisco J. Perdigon
   11. Mahir Reyad Omary
   12a. Robert Francis Silva
   12b. Bob Silva Ford, Inc.
   13. Tailgate Sports, LLC
   14a. Vanguard Composite Group, Inc.
   14b. V System Composites, Incorporated
   14c. Vanguard Space Technologies, Inc.
   15. Steven V. Vo
   16. Bertram Ian Weiss

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
The following items are scheduled for Wednesday, April 29, 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 Wednesday, April 29, 2015.

Recess - The meeting will reconvene on Wednesday, April 29, 2015, at 9:30 a.m.

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Joann Richmond, Chief
Board Proceedings Division

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+ 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.
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450 N Street, Room 121, Sacramento
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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.  Karim Khan Amir Ali, 559076 (DF) +
    For Petitioner: Karim Khan Amir Ali, Taxpayer
    For Department: Steve Cauthen, Hearing Representative

C2.  Michael J. Kyalwazi, 572746, 727786 (KH) +
    For Petitioner/Claimant: Michael Kyalwazi, Taxpayer
    Winnie Kyalwazi, Witness
    For Department: Scott Lambert, Hearing Representative
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 +
   - Leslie “Les” Cancel
   - Neelam Godhwani
   - Michelle R. Hey
   - Sheila Perkins
   - David Scribner
   - Linda Sontag
   - Gloria Sweeney
   - Camilla Wilson

N2. Approval of Board Meeting Minutes
   - March 25-26, 2015 +

N3. Proposed Revisions to Audit Manual (AM), Chapter 4, General Audit Procedures +


O. Adoption of Board Committee Reports and Approval of Committee Actions
O1. Legislative Committee March 25, 2015
O2. Legislative Committee April 28, 2015

P. Other Administrative Matters
P1. Executive Director’s Report ........................................... Ms. Bridges
   1. Employee Recognition Award Program
      Approval of nominees for the BOE Employee Recognition Award Program.
   2. Report on time extensions to Monterey, Sonoma, Trinity, and Yuba Counties to complete and submit 2015/16 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155. +
   3. CROS Project Update and Actions ................................. Mr. Steen
      Progress on the CROS project to replace BOE’s two current tax legacy technology systems.

P2. Chief Counsel Report
   There are no items for this matter.
P3. Sales and Use Tax Deputy Director’s Report .......................... Mr. McGuire
  1.  Refund Approval + ......................................................... Mr. McGuire/
      Ms. Bartolo
      Proposal to Raise the Threshold for Board Member
      Approval of Refunds in Excess of $100,000.

P4. Special Taxes Deputy Director’s Report ......................... Ms. Bartolo
  1.  Approval of FY 2015/16 Tobacco Products Tax Rate +
      Staff recommendation for setting the fiscal year 2015/16
      Tobacco Products Tax Rate.

P5. Administration Deputy Director’s Report ..................... Ms. Murphy
  1.  Contracts Over $1 Million
      a.  Department of Toxic Substances Control contract for collection
          of fees pertaining to hazardous waste. +
      b.  Department of Motor Vehicles contract for collection of sales,
          use and/or special taxes pertaining to vehicles and
          undocumented vessels. +
  2.  Report on discussions with SEIU regarding in-house security
      services.

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

Adjourn

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