STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
May 27-28, 2015
NOTICE AND AGENDA
Meeting Agenda (as of 5/28/2015, 11:30 AM)

Agenda Changes
Webcast on Wednesday, May 27, 2015
Wednesday, May 27, 2015

10:00 a.m.  Pledge of Allegiance

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. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

Board Member Annual Photograph

State-Assessed Properties Value Setting

Property Tax Matter ‘CF’ + ................................................................. Mr. Thompson

Board sets unitary values of state-assessed properties annually, on or before May 31, pursuant to constitutional and statutory law.

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

P.  Other Administrative Matters

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

  1. Update on BOE Alignment

     Progress on BOE’s ongoing alignment to improve organizational structure.

  2. Report on time extensions to El Dorado, Mariposa and Tehama counties to complete and submit 2015/16 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155. +
3. Summons to Annual Meeting of the Board and County Assessors and Proposed Meeting Date/Location + ........ Mr. Kinnee

Proposed change to the 2015 Board Meeting Calendar for August to add the annual Board/Assessors’ meeting in Olympic Valley, California, and to request approval to summon county assessors to such meeting with the Board to discuss issues relating to property assessment administration.

4. CROS Project Update and Actions ........................................... Mr. Steen

Progress on the CROS project to replace BOE’s two current tax legacy technology systems.

Special Presentations

Employee Recognition Award Ceremony 2014-2015 ....................... Ms. Herrera

The Board will honor BOE Employee Recognition Award recipients participating in the Northern California Ceremony.

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. Patrick Missud, 845292 +
   For Appellant: Patrick Missud, Taxpayer
   For Franchise Tax Board: Brian Werking, Tax Counsel
                           Marguerite Mosnier, Tax Counsel

B2. ConAgra Foods, Inc., 597512, 785058, 799162 +
   For Appellant: Kyle Snedaker, Taxpayer
                   Fred O. Marcus, Attorney
                   Edwin P. Antolin, Attorney
   For Franchise Tax Board: Delinda Tamagni, Tax Counsel
                           Norman Scott, Tax Counsel

B3. Michael D. Rudd and Patricia J. Rudd, 794298 +
   For Appellants: Mark A. Loyd, Attorney
                  Charles J. Moll III, Attorney
   For Franchise Tax Board: Kristen Kane, Tax Counsel
                          Ciro Immordino, Tax Counsel

   For Appellants: Michelle LaPena, Attorney
                  Maria Brosterhous, Tax Counsel
                  Fred Campbell-Craven, Tax Counsel
C. Sales and Use Tax Appeals Hearings
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

C1. Gems Unlimited, Inc., 727090 (BH) +
   For Petitioner: Garen Ekmekjian, Taxpayer
   For Department: Scott Lambert, Hearing Representative

C2. Samuel Coronado, Gerardo G. Gonzalez, and Erica Coronado, 670967, 827449 (GH) +
   For Petitioners/Claimants: Linh Tao, Representative
   For Department: Nenita DeLaCruz, Hearing Representative

C3. Nagib Abdulsaeed Shariff, 715384 (CH) +
   For Petitioner: Hassen Mohsen, Representative
   For Department: Scott Lambert, Hearing Representative

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

F. Public Hearings
F1. Business Taxpayers’ Bill of Rights Hearings.........................Mr. Gilman
   Individuals have the opportunity to present their ideas, concerns, and recommendations regarding legislation, the quality of agency services, and other issues related to the Board’s administration of its tax programs, including sales and use taxes, environmental fees, fuel taxes, and excise taxes, and any problems identified in the Taxpayers’ Rights Advocate’s Annual Report +.

F2. Property Taxpayers’ Bill of Rights Hearings.........................Mr. Gilman
   Individuals have the opportunity to present their ideas, concerns, and recommendations regarding legislation, the quality of agency services, and other issues related to the Board’s administration of its tax programs, including state and county property tax programs, and any problems identified in the Taxpayers’ Rights Advocate’s Annual Report +.

G. Tax Program Nonappearance Matters – Consent Rescheduled to Thursday, May 28, 2015
(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)
G1. Legal Appeals Matters ...............................................................Mr. Angeja
   ➢ Hearing Notice Sent – No Response
     1. Daren James D’Ambrosio and June Ella D’Ambrosio, 597646 (DF)
     2. Shym Corp., 611317 (KH)
     3. Nor Cal Alternative Healing Corp., 538189 (KH)
   ➢ Petitions for Release of Seized Property
     4. Saber Polouei, 860800 (STF)
     5. Naaman S. Alguhaim, 861906 (STF)
   ➢ Petitions for Rehearing
     6. Breadstick’s LA Wine Bar Café, LLC, 546527 (AS)
G2. Franchise and Income Tax Matters ........................................... Mr. Epolite
   ➢ Hearing Notice Sent – No Response
     1. Jess Sullivan, 756078
   ➢ Decisions
     2. Roy Batruni, 809832
     3. Bruffy’s, Inc., 782757
     4. Setya Djoenadi, 771806
     5. Bryan Glover, 796685
     6. Dolores Johnson, 792594
     7. Yasser Mansour and Noha Baleigh, 841819
     8. Mario R. Mendoza, 799866
     9. Ruben Moriel and Diane Moriel, 797314
    10. Joshua Pastor, 792963
    11. Phuong L. Vesely, 716765
    12. Rong-Chang ESL, Inc., 803263
    13. Jose L. Sarabia, 839218
    15. Carrie Schornstein, 814019
    16. Vickie Denise Simon, 795781
    17. Thomas Spielbauer, 782687
   ➢ Petitions for Rehearing
     18. Edward Hemmat and Roshanne Hemmat, 613804
     19. Denis L. Jost, 740758

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. SPX Flow Technology Systems, Inc., 760261 (OH)
     2. Alfred Hanser, 683912 (FH)
     3. Goodfellow Corporation, 790254 (EH)
   ➢ Relief of Penalty/Interest
     4. Medcal Sales, LLC, 863338 (EH)
     5. Universal City Studios, LLC, 863337 (AC)
   ➢ Denials of Claims for Refund
     6. Pacific Sales Kitchen and Bath Centers, Inc., 535850 (OH)
     7. San Diego County Credit Union, 731241 (FH)
     8. AT&T Communications of California, 855961 (OH)
     9. Verizon Wireless (VAW), LLC, 744172 (OH)
   ➢ Grant-One Day Interest Relief
     10. Antelope Valley Newspapers, Inc., 863341 (SO)
     11. Checkers Grill, 863340 (CH)
     12. Lake Shore Cryotronics, Inc., 863344 (OH)
     13. Arris Technology, Inc., 863346 (OH)
     14. Rush Truck Centers of California, Inc., 863343 (AP)
     15. Ristorante Buon Gusto, Inc., 863339 (BH)
G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds ................................................................. Mr. McGuire
  ➢ Credits and Cancellations
    1. Gladys Gismania Sunderlin, 861598 (SO)
    2. Jafar Ibrahim Rahman, 860555 (EH)
  ➢ Refunds
    3. Pacific Sales Kitchen and Bath Centers, Inc., 856118 (OH)
    4. Nissan North America, Inc., 862170 (OH)
    5. Professional Hospital Supply, Inc., 840614 (EH)
    6. San Diego County Credit Union, 731241 (FH)
    7. Toppan Photomasks, Inc., 699248 (OH)
    8. AT&T Communications of California, 855961 (OH)
    9. Chrysler, LLC, 862261 (OH)
   11. Peterson Hydraulic, Inc., 531010 (AS)
   12. Mansfield Oil Company of Gainesville, Inc., 743899 (OH)
   13. Verizon Wireless (VAW), LLC, 744172 (OH)
   14. C Lee Cook/Dover Resources Company, 796723 (OH)
   15. J.C. Penny Company, Inc., 813241 (OH)
   16. Teradyne, Inc., 855557 (OH)
   17. Americredit Financial Service, Inc., 852738 (OH)
   18. Yoichi Ito, 866792 (BH)
   19. CA Virtual Academy @ San Diego, 856448 (AR)
   20. Premier Auto Credit, 803765 (SO)
   21. Kimberly-Clark Global Sales, Inc., 759468 (OH)
   22. NSRH, Inc., 810668 (BH)
   23. Kinecta Federal Credit Union, 793015 (AS)
   24. Crunchyroll, Inc., 857816 (BH)
   25. Chart, Inc., 859442 (OH)
   26. Carl Zeiss SBE, LLC, 854732 (OH)
   27. High Performance Capital, Inc., 840956 (EA)

G6. Special Taxes Matters ................................................................................................................................. Ms. Bartolo
  ➢ Relief of Penalty
    1. Ventura County Medi-Cal Managed Care Commission, 857809 (STF) ‘CF’
    2. Costco Wholesale Corporation, 861731 (STF)

G7. Special Taxes Matters – Credits, Cancellations, and Refunds ..................................................................... Ms. Bartolo
  ➢ Credits and Cancellations
    1. Sunoco, Inc. (R&M), 863686 ‘CF’
  ➢ Refunds
    2. Dell Marketing LP, 810697, 841817, 847611
    3. McLane/Suneast, Inc., 857854

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 Rescheduled to Thursday, May 28, 2015**

(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

- Section 40 (AB 2323) Matter
  1. Myles D. Hubers and Michelle R. Hubers, 534595 +

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 Rescheduled to Thursday, May 28, 2015**

(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

I1. Property Taxes Matters

- Audit
  1. T-Mobile West, LLC (2748) ‘CF’
  2. Connectto Communications, Inc. (8065) ‘CF’
- Unitary Land Escaped Assessment
  3. Pacific Gas and Electric Company (135) ‘CF’
  4. MetroPCS California, LLC (2733) ‘CF’
  5. T-Mobile West, LLC (2748) ‘CF’
  6. CVIN, LLC (8151) ‘CF’

I2. Offer in Compromise Recommendations

1. Audition Systems by Audio Design
2. Frederick A. Begley
3a. Gabriela G. Bernal
3b. Autonation, Inc.
4. Arutyum Brutyan
5. Fatima L. Rendon Cobena
6a. Isaac Woodrow Hornsby II
6b. I.K.E.R.I.C., Inc.
7. William Curtis Hughes
8. Jack H. H. Jiang
9a. Paul Robert Joyce
9b. Beach Motors
10. Pause Lounge, LLC
11. Daniel Joshua Rieger
12. Phyllis Samaan
13. Kelly Lynn Schrock
14a. Brian Seitel
14b. DSRV’s Incorporated
15. Lisa Marie Thompson
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

J1. Proposed Amendments to Sales and Use Tax Regulation 1705.1, **Innocent Spouse or Registered Domestic Partner Relief from Liability**, Special Taxes and Fees Regulation 4903, **Innocent Spouse or Registered Domestic Partner Relief from Liability**, and Rules for Tax Appeals Regulations 5240, **Persons Who May File, Contents of, and Manner of Filing Requests for Innocent Spouse Relief**, 5241, **Acknowledgement and Review of Requests for Innocent Spouse Relief**, and 5242, **Requests for Reconsideration by the Board** ..................................................... Mr. Heller

Request for authorization to publish proposed amendments to eliminate the requirement that individuals file a separate request to be considered for other equitable relief.

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 Resolution +
- Imelda Hanson
- Karen Nakao
- Janet S. Shapiro
- Maruthi K. “Marty” Yellapragada

N2. Approval of Board Meeting Minutes
- April 28-29, 2015 +

N3. Proposed Revisions to Audit Manual (AM), Chapter 10, **Occasional Sales—Sale of a Business** +
N4. Adoption of Property Tax Forms +

- **BOE-66-A**  
  *Notice of Enrollment of Escape Assessment*, for use in counties in which the Board of Supervisors *has not* adopted the provisions of Revenue and Taxation Code section 1605(c). Revised to update the title of the county assessment appeals form adopted by the Board at its January 2015 meeting.

- **BOE-66-B**  
  *Notice of Enrollment of Escape Assessment*, for use in counties in which the Board of Supervisors *has* adopted the provisions of Revenue and Taxation Code section 1605(c). Revised to update the title of the county assessment appeals form adopted by the Board at its January 2015 meeting.

- **BOE-67-A**  
  *Notice of Supplemental Assessment*, for use in counties in which the Board of Supervisors *has not* adopted the provisions of Revenue and Taxation Code section 1605(c). Revised to update the title of the county assessment appeals form adopted by the Board at its January 2015 meeting, and to make a minor edit to the instructions.

- **BOE-67-B**  
  *Notice of Supplemental Assessment*, for use in counties in which the Board of Supervisors *has* adopted the provisions of Revenue and Taxation Code section 1605(c). Revised to update the title of the county assessment appeals form adopted by the Board at its January 2015 meeting.

- **BOE-261-G**  
  *2016 Claim for Disabled Veterans’ Property Tax Exemption*  
  Revised to relocate telephone number and email address boxes and to update information to reflect 2016 lien date data.

- **BOE-262-AH**  
  *Church Exemption*  
  Revised to add a check box and question for claimants to mark if they no longer are seeking the exemption at the specified location; added question 12(b) regarding property owned by the church but leased to another organization.

- **BOE-267-A**  
  *20__ Claim for Welfare Exemption (Annual Filing)*  
  Revised question 10 to request information regarding increases in income and/or expenses.
- BOE-576-E  20    Affidavit for 4 Percent Assessment of Certain Vessels
Revised to change "Bureau of Customs" to "United States Coast Guard," and "Department of Transportation" to "Department of Homeland Security."

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

P. Other Administrative Matters
There are no items for the following matters:
P2. Chief Counsel Report
P3. Sales and Use Tax Deputy Director’s Report
P4. Property Taxes Deputy Director’s Report ................................. Mr. Kinnee
   1. Adoption of 4-R Act Equalization Ratio for 2015/16 + .... Mr. Durham
      Ensures that rail transportation property is assessed at the same percentage of market value as all other commercial/industrial property.

P5. Administration Deputy Director’s Report ................................. Ms. Murphy
   1. Report on discussions with SEIU regarding in-house security services.  Continued to Thursday, May 28, 2015

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  Rescheduled to Thursday, May 28, 2015

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 Thursday, May 28, 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

* 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.
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B. Corporate Franchise and Personal Income Tax Appeals Hearings
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

B5. John A. Mattson and Tara L. Mattson, 816470 +
For Appellants: John A. Mattson, Taxpayer
For Franchise Tax Board: Jason Riley, Tax Counsel
Cheryl Akin, Tax Counsel

B6. Michael J. Bills and Mary E. Bills, 610028, 782397 +
For Appellants: Michael J. Bills, Taxpayer
Jeffrey M. Vesely, Attorney
Annie H. Huang, Attorney
For Franchise Tax Board: Christopher Haskins, Tax Counsel
Natasha Page, Tax Counsel

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

C4. Jasinder Pal Singh and Charanjeev Singh, 621322 (KH) +
For Claimants: Waived Appearance
For Department: Scott Lambert, Hearing Representative

C5a. E.W. International Trade, Inc., 719634 (BH) +
C5b. Kobe GWS, Inc., 720777 (BH) +
For Petitioners: Charles Harb, Representative
Mario West, Representative
For Department: Nenita DeLaCruz, Hearing Representative
Adjourn

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Joann Richmond, Chief
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