



STATE BOARD OF EQUALIZATION

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Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
NOTICE AND AGENDA
Meeting Agenda (as of 8:00 a.m., 07/21/09)

[Agenda Changes](#)

Tuesday, July 21, 2009

9:30 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.

A. Homeowner and Renter Property Tax Assistance Hearings
There are no items for this matter.

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

B1.a. [John Hugo, 209495 +](#)

B1.b. [Linda S. Williams, 313247 +](#)

For Appellant: Linda S. Williams, Taxpayer
Donald Williams, Witness
Mary Catherine Bohlen, Witness
For Franchise Tax Board: Mark McEvelly, Tax Counsel
Kathleen Cooke, Tax Counsel

B2. [Rochelle M. Dorfler, 306426 +](#)

For Appellant: Rochelle Dorfler, Taxpayer
Henry Veit, Attorney
For Franchise Tax Board: Mark McEvelly, Tax Counsel
Jozel Brunett, Tax Counsel

B3. [Frank Cutler, 400347 +](#)

For Appellant: Appearance Waived
For Franchise Tax Board: Ann Hodges, Tax Counsel
William Hilson, Tax Counsel

B4. [Ajay Ranchhod, 449283 +](#)

For Appellant: Ajay Ranchhod, Taxpayer
For Franchise Tax Board: Jane Perez, Tax Counsel
Karen Smith, Tax Counsel

C. Sales and Use Tax Appeals Hearing

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

C1. [On Sports, Inc., 334978 \(KH\) +](#)

For Petitioner:	Steven Kayson, Taxpayer Lyle A. Downey, Representative
For Department:	Christine Bisauta, Tax Counsel

D. Special Taxes Appeals Hearing

This item is scheduled for the afternoon session.

There are no items for the following matters:

- E. Property Tax Appeals Hearings
- F. Public Hearings

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

G1. Legal Appeals Matters.....Mr. Levine

- Hearing Notice Sent – No Response
 1. Chacko A. Thomas, 421109 (KH)

G2. Franchise and Income Tax MattersMs. Kelly

- Decisions
 1. Gracia AlexanderRares, 450430
 2. David Altman, 442780
 3. Amanda Andreasen, 441067
 4. Wilmer P. Arias, 400110
 5. Juan Perez Babauta, Sr., 423974
 6. Tamatha Booker, 332377
 - 7a. Pamela Brookwell, 330695
 - 7b. Kenneth Brookwell, 330137
 8. Robert R. Frunz, 439537
 9. Bryan Hall, 378091
 10. Luat T. Ly, 443343
 11. Vielka Macia, 449285
 12. Thomas B. McCleary and Jill E. Fallick, 374681
 13. Marithza Barzey McFadden, 401100
 14. Novartis Vaccines and Diagnostics, Inc., 397618
 15. Jose P. Rimando, 422588
 16. Guy E. Shannon, 439839
 17. Henry Ting, 418000
- Petitions for Rehearing
 18. Haik Arakelian and Alice Arakelian, 442173
 19. Karl Eisenhammer, 429657
 20. Carol Grant, 429678
 21. Richard Grant, 429665

- 22. Christopher Gyorgy, 427533
 - 23. Eldo Klingenberg, 427408
 - 24. Marla D. Shannon, 424614
 - Hearing Notices Sent – No Response
 - 25. Brenda Galvin, 446061
 - 26. Darla Kay Marsh, 462002
- G3. Homeowner and Renter Property Tax Assistance MattersMs. Kelly
- Decisions
 - 1. Damecia Brown, 442782
 - 2. David Centeno, 425545
 - 3. Angela Dunlap, 432134
 - 4. Joanne E. Hendershott, 426794
 - 5. Alicia Hernandez, 424201
 - 6. Eldon Douglas Hower, 422816
 - 7. Debbie Jackson, 437797
 - 8. Lan Nguyen, 423669
 - 9. H. P. Orr, 426309
 - 10. Pamela J. Rose, 470191
 - 11. Sandra Royals, 422921
 - 12. Florencio Silva, Jr., 427077
 - 13. Theresa M. Ubben, 432800
 - 14. Abdullahi Warsame, 437912
 - 15. Suk Nam Yoon, 431584
- G4. Sales and Use Taxes Matters.....Ms. Henry
- Redeterminations
 - 1. Primedia Specialty Group, Inc., 325642 (AS)
 - 2. Luminenrtoic, Inc., 458984 (AC)
 - 3. Spiniello Companies, 488402 (AP)
 - Relief of Penalty/Interest
 - 4. Canon Anelva Corporation, 487485 (GH)
 - Denials of Claims for Refund
 - 5. 7-Eleven, Inc., 308510 (FH)
 - 6. Chassis Systems, Inc., 382281 (OH)
 - 7. Ford Motor Credit Company, 245530 (OH)
 - 8. Panta Systems, Inc., 459964 (GH)
 - 9. Quest Sales and Services, Inc., 467966 (OH)
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and RefundsMs. Henry
- Credits and Cancellations
 - 1. Angel Ivan San Jose, 221377 (AS)
 - 2. Telco Food Products, Inc., 487695 (EH)
 - 3. Effective Engineering, Inc., 485669 (AC)
 - 4. Modulus Video, Inc., 486788 (GH)
 - 5. Sikder Group, Inc. III, 486256 (AR)
 - 6. Spiniello Companies, 463921 (AP)

- Refunds
 7. Universal Film Exchanges, Inc., 479023 (AC)
 8. Universal City Studios, Inc., 479020 (AC)
 9. A. Daigger and Company, Inc., 469760 (OH)
 10. Foster Poultry Farms, 440266 (KH)
 11. Chiron Diagnostics Corp., 487731 (OH)
 12. Mercedes-Benz USA, LLC, 485775 (KH)
 13. Fortinet, Inc., 484724 (GH)
 14. Owens & Minor Distribution, Inc., 466863 (OH)
 15. Touchstar Software Corporation, 474065 (OH)
 16. Travis Credit Union, 450709 (JH)
 17. Long Beach Acceptance Corporation, 478140 (EA)
 18. A-L Financial Corporation, 477191 (EA)
 19. Members 1st Credit Union, 473244 (KH)
 20. Heritage Community Credit Union, 473374 (KH)

G6. Special Taxes Matters

There are no items for this matter.

G7. Special Taxes Matters – Credits, Cancellations,
and Refunds

Mr. Gau

➤ Refund

1. Constellation Wines U.S., Inc., 401031 (ET) ‘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.....Mr. Levine

- Hearing Notices Sent – No Response
 1. Cheryl’s Fashion Art, Inc., 335122 (AC)
 2. Ibrahim A. Alarrabiyat and Bassam Ahmed Quran, 362789 (EH)
 3. Eric John Estelle, 342275, 342276 (GH)
- Cases Heard But Not Decided
 4. B & R Industries, Inc., 254513 (EA)
- Petitions for Release of Seized Property
 - ~~5. Kil Hwan Chang and Myong Jo Chang, 474045 (ET)~~
 - ~~6. Yong Kun Kim and Ok Nyo Kim, 474047 (ET)~~
- Local Tax Reallocation Hearing **
 7. City of Compton, 469256

- H2. Franchise and Income Tax Matters Ms. Kelly
- Decision
 1. John D. Bogdanoff and Janora G. Bogdanoff, 440634
 - Petition for Rehearing
 2. ~~Video Express, Inc., 378528~~
- H3. Homeowner and Renter Property Tax Assistance Matters Ms. Kelly
- Decision
 1. James Cato, Jr., 426289
- H4. Sales and Use Taxes Matters..... Ms. Henry
- Redetermination
 1. Catherine S. Weinberger, 270408 (AP)

There are no items for the following 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. Gau
- Unitary Escaped Assessment
 1. Verizon California, Inc. (201) – ‘CF’
- I2. Offers-in-Compromise Recommendations..... Ms. Ogrod/Ms. Swanson
1. Parvis P. Tousian
 2. Frederik J. Nel
 3. Ronald W. Stewart
 4. Richard & Charlene Busch
 5. C & J Vantage Leasing Co.
 6. Yee Sook Kim
 7. Bruce S. Coe & Glen Coe Pizza
 8. Richard Austin

Chief Counsel Matters

J. Rulemaking

- J1. [Adoption of Proposed Amendments to Sales and Use Tax Regulation 1620, Interstate and Foreign Commerce +](#)..... Mr. Heller
- Section 100 amendments are proposed to correct a reference error in subdivision (b)(2)(A).

There are no items for the following matters:

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

Administrative Session

- N. Consent Agenda
These items are scheduled for the afternoon session.
- O. Adoption of Board Committee Reports and Approval of Committee Actions
There are no items for this matter.

These items are scheduled for the afternoon session:

- P. Other Administrative Matters
- Q. Closed Session

1:30 p.m. Board Meeting Reconvenes*

C. Sales and Use Tax Appeals Hearings

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

C2. [Ocean Palace, Inc., 425058 \(GH\) +](#)

For Petitioner: Peter K. Chau, Taxpayer
Yvonne L. Chau, Taxpayer
For Department: Scott Lambert, Hearing Representative

C3. [Krishna Devi, Nazar Ram, and Amar Singh, 341721 \(CH\) +](#)

For Petitioner: Krishna Devi, Taxpayer
Nazar Ram, Taxpayer
Ashok B. Agarwal, CPA
For Department: Scott Lambert, Hearing Representative

Local Tax Reallocation Hearing

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

C4. [City of Sacramento, 472921 +](#)

For Petitioner: Eric Myers, Representative
Janis Varney, Representative
For Department: Carole Ruwart, Tax Counsel

D. Special Taxes Appeals Hearing

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

Seized Property Appeal HearingD1. [Wafaa Abou Qassim, Inc., 484200 \(ET\) +](#)

For Petitioner: Nabil Krayem, Representative
 For Department: Stephen Smith, Tax Counsel

Administrative Session**N. Consent Agenda** Ms. OlsonN1. [Retirement Resolutions +](#)

- Malene Evans
- Peter C. Gaffney
- Robert R. Geniella
- Kathryn A. Hernandez
- Kenneth Rumenapp

N2. Approval of Board Meeting Minutes

- [April 15, 2009 +](#)
- [April 28 - 30, 2009 +](#)
- [May 27, 2009 +](#)

N3. [Adoption of Property Tax Forms +](#)

- BOE-58-AH *Claim for Reassessment Exclusion for Transfer Between Parent and Child*
- BOE-58-G *Claim for Reassessment Exclusion for Transfer from Grandparent to Grandchild*
- BOE-67-A *Notice of Supplemental Assessment (Counties without Section 1605(c) Provisions)*
- BOE-260-B *Claim for Exemption from Property Taxes of Aircraft of Historical Significance*
- BOE-261-GNT *2009 Disabled Veterans' Exemption Change of Eligibility Report*
- BOE-261-G *20__ Claim for Disabled Veterans' Property Tax Exemption*
- BOE-263 *Lessors' Exemption Claim*
- BOE-263-B *Lessees' Exemption Claim*
- BOE-267-A *20__ Claim for Welfare Exemption (Annual Filing)*
- BOE-267-H *Claim for Welfare Exemption Supplemental Affidavit, Housing-Elderly or Handicapped Families*
- BOE-267-L *Welfare Exemption Supplemental Affidavit, Housing-Lower-Income Households*
- BOE-267-L1 *Welfare Exemption Supplemental Affidavit, Low-Income Housing Property of Limited Partnership*

- BOE-267-R *Welfare Exemption Supplemental Affidavit, Rehabilitation-Living Quarters*
- BOE-267-S *Religious Exemption*
- BOE-268-A *Public School Exemption*
- BOE-269-AH *Claim for Veterans' Organization Exemption*
- BOE-502-AH *Change of Ownership Statement, Real Property or Manufactured Homes Subject to Local Property Taxes*
- BOE-502-D *Change in Ownership Statement, Death of Real Property Owner*
- BOE-571-A *Agricultural Property Statement for 2010*
- BOE-571-L *Business Property Statement for 2010*
- BOE-576-D *2010 Vessel Property Statement*
- BOE-577-A *20__ Airport Operations Report*
- BOE-901-V *Application for Deduction for Vehicle's License Fees from Property Tax*

N4. [Approval of Proposed Revisions to Compliance Policy and Procedures Manual Chapter 1, General; Chapter 2, Registration; Chapter 3, Account Maintenance and Chapter 7, Collections Chapters +](#)

Revisions to sections of Chapters 1, 2, and 3, and major rewrite of Chapter 7 to update the guidance provided and incorporate new policy and procedures.

~~N5. Approval of Proposed Revisions to Compliance Policy and Procedures Manual Chapter 9, Miscellaneous +~~

~~Revisions throughout the chapter to update the guidance provided and incorporate new policy and procedures.~~

P. Other Administrative Matters

P1. Executive Director's Report Mr. Hirsig

- a. [Request for time extensions from Alpine, Amador, Colusa, Inyo, Napa, Plumas and San Benito Counties to complete and submit 2009-10 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155 +](#)

- b. [Registered Warrants +](#)
Board discussion; possible Board direction or action

P2. Chief Counsel Report
There are no items for this matter.

P3. Deputy Director's Report
a. Sales and Use Tax
There are no items for this matter.

- b. Property and Special Taxes Mr. Gau
1. [Adoption of the 2009-10 Private Railroad Car Tax Rate –“CF” +](#) Mr. Ingenito
Staff recommendation for the tax rate to be applied in 2009-10 to the value of private railroad cars.
 2. Adoption of the 2009 Private Railroad Car Roll – “CF” Mr. Thompson
Staff recommendation for the lien date 2009 assessment of private railroad cars under the provisions of the Private Railroad Car Tax Law.
 3. Adoption of the 2009 State-Assessed Property Roll – “CF” Mr. Thompson
Staff recommendation on the allocations of the unitary values adopted by the Board in May 2009, plus adjustments based on prior Board action and staff-recommended nonunitary values.
- c. [Administration +](#) Ms. Houser
1. Contracts Over \$1 Million – This item is for Board approval
 - a. ~~Department of Justice contract renewal that provides legal services in the areas of employment law litigation +~~
 - b. [Department of Technology Services contract renewal that provides multiple data processing services +](#)
 2. Facilities Update and Direction
 - a. Update on the on-going projects at 450 N Street
 - b. Update on site search
 3. 2009/10 Budget Update, Furlough Plan and Layoffs
Information will be provided to the Board regarding the Governor’s 2009/10 Budget, Governor’s Executive Orders S-13-09 and S-16-08 State Employee Furlough, and statewide layoffs. Possible Board action or direction regarding the Governor’s Budget and Executive Orders.
 4. [2010/11 Budget Concepts - Possible Board action or direction +](#)
 - a. [BOE Facilities Master Plan – requests resources to protect the health and safety of employees by moving Headquarters and the San Diego District staff to new facilities +](#)
 - b. [Sales and Use Tax 1 Percent Rate Increase Ramp Down – requests resources to ramp down the temporary 1 percent sales and use tax rate increase +](#)
 - c. [Increase Revenue through Agricultural Inspection Station Tax Leads – provides permanent funding to expand the current successful pilot program +](#)

- d. [Continuation of Fuel Taxes Compliance and IFTA Leads – provides funding for two successful limited-term Fuel Tax projects that protect and enhance the tax base of the Transportation Taxes Program +](#)

d. Technology Services
There are no items for this matter.

Announcement of Closed Session Ms. Olson

Q. Closed Session

- Q1. Discussion and approval of staff recommendations regarding settlement tax and fee matters in dispute (Rev. & Tax. Code §§ 7093.5, 9271, 30459.1, 32471, 40211, 41171, 43522, 45867, 46622, 50156.11, 55332, and 60636)
- Q2. Pending litigation: *Ashok V. Parmar, et al. v. California State Board of Equalization*, Los Angeles County Superior Court, Case No. BC 379013 (Gov. Code § 11126(e))
- Q3. Pending litigation: *General Motors Corporation, et al.*, U.S. Bankruptcy Court, S.D. New York, Case No. 09-50026 (Gov. Code § 11126(e))
- Q4. Pending litigation: *Governor Arnold Schwarzenegger, et al. v. State Controller John Chiang, et al.*, Sacramento County Superior Court Case No. 34-2009-80000158 (Gov. Code § 11126(e))
- Q5. Pending litigation: *Schroeder, et al. v. Board of Equalization, et al.* Sacramento Superior Court Case No. 34-2008-00004467-CU-MT-GDS; *Frankot, et al. v. Board of Equalization, et al.*, Sacramento Superior Court Case No. 34-2008-00012174-CU-PO-GDS; and, *Allen, et al. v. Board of Equalization, et al.*, Sacramento Superior Court, Case No. 34-2008-00017014-CU-TT-GDS (Gov. Code § 11126(e)(2)(B)(i))
- Q6. Discussion and action on personnel matters (Gov. Code § 11126(a))

Announcement of Open Session..... Ms. Olson

Adjourn

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The hearing location is accessible to people with disabilities. Please contact Claudia Madrigal at (916) 324-8261, or e-mail Claudia.Madrigal@boe.ca.gov if you require special assistance.

Diane G. Olson, 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.
- ** Municipalities are exempt from Contribution Disclosure requirements, for further information please telephone Rick Bennion, Contribution Disclosure Analyst at (916) 445-2130 or email: Richard.Bennion@boe.ca.gov.
- + 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.