



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080
(916) 322-2270 • FAX (916) 324-3984
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco
SEN. GEORGE RUNNER (RET.)
Second District, Lancaster
MICHELLE STEEL
Third District, Orange County
JEROME E. HORTON
Fourth District, Los Angeles
JOHN CHIANG
State Controller
CYNTHIA BRIDGES
Executive Director

STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
August 5-6, 2014
NOTICE AND AGENDA
Meeting Agenda (as 8/04/2014, 10:30 AM)

Agenda Changes

Webcast on Tuesday, August 5, 2014

Tuesday, August 5, 2014

9:30 a.m. Board Committee Meeting Convenes*

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

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 Meeting*

Customer Service and Administrative Efficiency Committee.....

Ms. Yee, Committee Chairwoman

- 1. Manufacturing and Research & Development Partial Sales Tax Exemption
Staff will provide a report on efforts to increase awareness of the Manufacturing and Research & Development Partial Sales Tax Exemption, Regulation 1525.4.

Board Meeting**

- 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. Brent M. McMahon and Ramona M. Sears-McMahon, 727891 +
For Appellants: Ernest S. Ryder, Attorney
Richard V. Vermazen, Attorney
For Franchise Tax Board: Todd Watkins, Tax Counsel
Michael Cornez, Tax Counsel

~~B2. Robert S. Winet and Melinda Winet, 594610 +
 For Appellants: Robert S. Winet, Taxpayer
 Randall L. Winet, Attorney
 For Franchise Tax Board: David Gemmingen, Tax Counsel
 Cheryl Akin, Tax Counsel~~

B3. Richard N. Eisenberg and Anita Eisenberg, 610025 +
 For Appellants: Anita Eisenberg, Taxpayer
 Steve Mather, Attorney
 For Franchise Tax Board: Maria Brosterous, Tax Counsel
 Karen Smith, Tax Counsel

B4. John Kunak and Mary Fleming, 740944 +
 For Appellants: John Kunak, Taxpayer
 For Franchise Tax Board: Eric Yadao, Tax Counsel
 Karen Smith, Tax Counsel

B5. Jeffrey A. Foresta, 762692, 763560, 763561 +
 For Appellant: Jeffrey A. Foresta, Taxpayer
 For Franchise Tax Board: Eric Yadao, Tax Counsel
 Karen Smith, Tax Counsel

C. Sales and Use Tax Appeals Hearing

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

C1a. Nizar Taher Breiche, 575605 (EH) +

C1b. American Planet, Inc., 575606 (EH) +

For Petitioners: Appearance Waived

For Department: Marc Alviso, Hearing Representative

D. Special Taxes Appeals Hearing

This item is scheduled for Wednesday, August 6, 2014.

E. Property Tax Appeals Hearings

There are no items for this matter.

F. Public Hearing

F1. Proposed Adoption of Amendments to Sales and Use Tax
 Regulation 1603, *Taxable Sales of Food Products* +..... Mr. Huxsoll

The proposed amendments clarify the application of tax to tips, gratuities, and service charges.

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. Eric Paul Leiss, 567149 (DF)
 2. Manuel Rodriguez Luna, 595512 (EA)
 3. Beatriz Martinez, 556435 (AC)
 - 4a. Franklin Evan Tyler, 606109 (FH)
 - 4b. Debbie Tyler, 606111 (FH)
 5. Mo Zarrabi and Azar Hassanabadi, 533538 (AP)
- Petitions for Release of Seized Property
 6. Hamada A. Abdalla and Fryda A. Fernandez, 782699 (STF)
 7. Colton99, Yasmin Fallah and Karan Thakore, 782684 (STF)
 8. Green Century Liquor, Inc., 782697 (STF)
 9. Uni Cigs, Inc., 782690 (STF)
- Petitions for Rehearing
 10. Joginder Lal, 496075 (KH)
 11. Lasting Interiors, Inc., 554909 (EA)
 12. ~~Nirvair Corporation, 529714 (EA)~~

G2. Franchise and Income Tax Matters Mr. Thompson

- Hearing Notice Sent – No Response
 1. Gerardo O. Medina and Rowena Marcelino Medina, 737491
- Decisions
 2. A-L-L Magnetics, Inc., 707766
 3. American Orthodontics Corporation, 711153
 4. Charles E. Dormady, 644423
 5. John F. Gilmartin and Beverly A. Gilmartin, 612091
 6. Bobby Johnson, 719071
 7. Paul P. Le, 733446
 8. Pauline C. Lingle, 717460
 9. Ford F. Mudgett D.D.S. and William L. Neff Jr., D.D.S., 670981, 711154
 10. Tsion Mulugeta, 768604
 11. William M. Sheedy and Patricia L. Sheedy, 710828
 12. Derek Sipila, 745469
 13. Catherine Turner, 743541
- Petitions for Rehearing
 14. Gust Perlegos and Mary Perlegos, 599753
 15. Site Management Services, Inc., 713613
 16. Kevin H. Sullivan and Claire K. Sullivan, 610943

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. S.A. Camp Pump Company, Inc., 605718 (DF)
 2. Sanmina-Sci Corporation, 611389 (GH)
 3. Anwer Ali Jadhavji, 202563 (AC)
 - Relief of Penalty/Interest
 4. Henry Schein, Inc., 811560 (OH)
 - Grant-One Day Interest Relief
 5. M.R.P. Auto, Inc., 811563 (EA)
 6. Alvarado Auto Sales, Inc., 811562 (AC)
 7. Food Pantry, LTD, 811565 (OH)
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and RefundsMr. McGuire
- Credits and Cancellations
 1. Chopras Restaurant, Inc., 812257 (AC)
 2. A.N.W. Group, Inc., 569288 (AP)
 - Refunds
 3. L.A. Unified School District, 577439 (AC)
 4. Sky Chefs, Inc., 726491 (OH)
 5. Treasure Garden, Inc., 768613 (AP)
 6. Kaiser Foundation Health Plan, Inc., 486635 (CH)
 7. The Golden 1 Credit Union, 785251 (KH)
 8. Hyundai Capital America, 710089 (EA)
 9. United Aviation Fuels Corp., 570557 (OH)
 10. Southwest Jet Fuel Company, 777662 (OH)
 11. Chevrolet Motor Division, 807984 (OH)
 12. DSC Telecom, Inc., 627541 (OH)
 13. UPS Oasis Supply Corp., 340492 (OH)
 14. Macy's West Stores, Inc., 804719 (OH)
 15. Check Point Software Technologies, Inc., 782224 (BH)
 16. Jay Robb Enterprises, Inc., 805300 (FH)
 17. United Rentals Northwest, Inc., 746529 (OH)
 18. Cintas Corporation No. 3, 623602 (OH)
 19. Dream Products Incorporated, 777666 (AC)
 20. Kaiser Foundation Hospitals, 809613 (CH)
 21. ABC, Inc., 576107 (OH)
 22. A & E Factory Services, LLC, 597117 (OH)
 23. Defender Security Company, 801774 (OH)
 24. Stags Leap Wine Cellars, LLC, 572035 (OH)
 25. VCE Company, LLC, 636354 (OH)
 26. Cardinal Health 200, LLC, 649581 (OH)
 27. Universal Acceptance Corp. (CA), 736264 (OH)

There are no items for the following matters:

- G6. Special Taxes 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. [Pahwa & Associates, Inc., 531030 \(CH\) +](#)
 - 2. [Jialing Wang, 436517, 546372 \(JH\) +](#)
 - 3. [WCN, Inc., 491680 \(AS\) +](#)
- H2. Franchise and Income Tax Matters Mr. Thompson
 - Section 40 (AB 2323) Matter
 - 1. [Camino Medical Group, Inc., 719011 +](#)

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
 - 1. Hassan Yeganeh Amirhamzeh
 - 2. Kin Sang Choi
 - 3a. A-1 M&M Enterprise, Inc.
 - 3b. Marwa Ahmad Harb
 - 4. Young Suk Kim
 - 5. Brittney Jessica Monciardini
 - 6. Leonard Jacob Rosenberg
- 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

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 +

- Windie Scott

N2. Approval of Board Meeting Minutes

- **June 24-26, 2014 +**

N3. Proposed Revisions to Audit Manual, Chapter 1, *General Information* +

N4. Proposed Revisions to Compliance Policy and Procedures Manual, Chapter 5, *Returns* +

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

O1. Customer Service and Administrative Efficiency Committee

P. Other Administrative Matters

P1. Executive Director's Report Ms. Bridges

1. Summons to Annual Meeting of the Board and County Assessors and Proposed Meeting Location + Mr. Gau

Proposed change to the 2014 Board Meeting Calendar for November to add the annual Board/Assessors' meeting in San Rafael, California, and to request approval to summon county assessors to such meeting with the Board to discuss issues relating to property assessment administration.

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. 2015/16 Budget Change Proposal +~~
~~Proposal will be presented for Board direction and approval~~
~~for inclusion in the Governor’s Fiscal Year 2015/16 Budget.~~
 - ~~a. Headquarters Facility Consolidation~~

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. Potential litigation: *Tort Claim of Racquel Raichart v. State Bd. of Equalization and Cynthia Bridges* – VCGCB Claim Number Not Yet Assigned (Gov. Code § 11126(e)).
- Q3. Discussion and action on personnel matters (Gov. Code, § 11126(a)).

Announcement of Open Session..... Ms. Richmond

Recess - The meeting will reconvene on Wednesday, August 6, 2014, at 9:30 a.m.

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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 committee agenda item will be accepted at the beginning of the committee meeting. Subsequent to committee meetings, committee agenda items may be taken up separately during the Board meeting.
- ** 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.
- ++ Material will be available at a later date.



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C. Sales and Use Tax Appeals Hearings

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

C2. [Enyinnaya Christian Ojogho, 396268, 414889, 610607 \(AS\) +](#)

For Taxpayer/Claimant: Enyinnaya Christian Ojogho, Taxpayer
Martin Cutler, Attorney

For Department: Scott Lambert, Hearing Representative

~~C3. [Ronald J. Blomquist, 467934, 565903 \(FH\) +](#)~~

~~For Taxpayer/Claimant: [Ronald J. Blomquist, Taxpayer](#)
[Alfred Ruemke, Attorney](#)~~

~~For Department: [Kevin Smith, Tax Counsel](#)~~

D. Special Taxes Appeals Hearing

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

Petition for Release of Seized Property Hearing

D1. [Timothy Mark Krug, 791354 \(STF\) +](#)

For Petitioner: Timothy Krug, Taxpayer

For Department: Pamela Mash, Tax Counsel

Adjourn

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