



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

SEN. GEORGE RUNNER (Ret.)  
First District, Lancaster

FIONA MA, CPA  
Second District, San Francisco

JEROME E. HORTON  
Third District, Los Angeles County

DIANE L. HARKEY  
Fourth District, Orange County

BETTY T. YEE  
State Controller

CYNTHIA BRIDGES  
Executive Director

**STATE BOARD OF EQUALIZATION MEETING**  
**450 N Street, Room 121, Sacramento**  
**April 28-29, 2015**

**PRELIMINARY RECORD OF BOARD ACTIONS**

**Tuesday, April 28, 2015**

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The following is a preliminary record of Board actions taken at the April 28-29, 2015, Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone Claudia (Madrigal) Lopez at 916-322-1931 or e-mail: [Claudia.Lopez@boe.ca.gov](mailto:Claudia.Lopez@boe.ca.gov). Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

**Board Committee Meetings** – Please see Page 10, O., Adoption of Board Committee Reports and Approval of Committee Actions, for voting results.

**Board Meeting**

**Special Presentation**

- Presentation of Board Resolution  
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**

~~B1. Jennifer Rice and Richard Rice, 841158~~

~~B2. Angelia Avila, 818764~~

## B3. Todd Bentley and Kate Bentley, 593582

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' appeal partially granted/denied.	Mr. Horton	No
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	No

## B4. Clifford L. Marshall and Deanna R. Marshall, 816195

**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 Assesseees' Presentations on the Valuation of State-Assessed Properties

F2. Proposed Adoption of Amendments to Regulation 1591, *Medicines and Medical Devices*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

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**G. Tax Program Nonappearance Matters – Consent****G1. Legal Appeals Matters**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

- 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 McBrian, 647378 (STF)
  - 7b. Scot McBrian, 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**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
No final determination on sub-item 20.	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

- 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
  9. Gerald M. Fisher and Kathleen K. Fisher, 810300
  10. Jack G. Hiehle, 756886

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- 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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

- 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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
No final determination on sub-item 15.	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

- 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)
  9. Chevron U.S.A., Inc., 775227 (CH)
  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)
  15. ~~Northrop Grumman Space & Mission Systems Corp., 594630 (AS)~~
  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)

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G6. Special Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes – except not participating in sub-items 1 and 2

- Relief of Penalty
  1. AIG Property Casualty Company, 857811 (STF) ‘CF’
  2. National Union Fire Insurance Company of Pittsburg, 857814 (STF) ‘CF’
- Relief of Interest
  3. Verizon Business Network Services, Inc., 861015 (STF)

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Not participating

- 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’
  4. Nationwide Mutual Insurance Co., 845243 (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**

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

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H2. Franchise and Income Tax Matters

➤ Petitions for Rehearing

1. Frank Cutler, 400347

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition for rehearing granted.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

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**

- I1. Property Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Not participating

➤ 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. Exenet Systems (California), LLC (8093) 'CF'
5. CalPop.Com, Inc. (8132) 'CF'

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## 12. Offer in Compromise Recommendations

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

1. A & N Petroleum, Inc.
- 2a. Cedar Gas and Smog, Inc.
- 2b. Mohamad Homer Majid
- 3a. Bradley Raymond Evarts
- 3b. Yellow Coyote Food Company, L.P.
- 4a. Joseph Peter Frument
- 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

13. 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.

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**STATE BOARD OF EQUALIZATION MEETING  
450 N Street, Room 121, Sacramento  
April 28-29, 2015**

**PRELIMINARY RECORD OF BOARD ACTIONS**

**Wednesday, April 29, 2015**

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**C. Sales and Use Tax Appeals Hearings**

~~C1. Karim Khan Amir Ali, 559076 (DF)~~

C2. Michael J. Kyalwazi, 572746, 727786 (KH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition granted.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

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**Administrative Session****N. Consent Agenda**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
In addition, the Board adopted a resolution recognizing Ted Matthies for donating over 100 gallons of blood; and, a resolution honoring the life of Lisa R. Buchanan.	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

## 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

- Mach 25-26, 2015

N3. Proposed Revisions to Audit Manual (AM), Chapter 4, *General Audit Procedures*N4. Proposed Revisions to Compliance Policy and Procedures Manual (CPPM)  
Chapter 7, *Collections***O. Adoption of Board Committee Reports and Approval of Committee Actions**

## O1. Legislative Committee March 25, 2015

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein as reflected by the committee members' votes.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
For details see: <a href="http://www.boe.ca.gov/legdiv/legmeeting/s15.htm">www.boe.ca.gov/legdiv/legmeeting/s15.htm</a>	Ms. Yee/ Ms. Stowers	Yes

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## O2. Legislative Committee April 28, 2015

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein as reflected by the committee members' votes.  For details see: <a href="http://www.boe.ca.gov/legdiv/legmeetings15.htm">www.boe.ca.gov/legdiv/legmeetings15.htm</a>	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

## O3. Business Taxes Committee April 28, 2015

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein as reflected by the committee members' votes.  For details see: <a href="http://www.boe.ca.gov/meetings/btc2015.htm">www.boe.ca.gov/meetings/btc2015.htm</a>	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

**P. Other Administrative Matters**

## P1. Executive Director's Report

1. 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

## P2. Chief Counsel Report

There are no items for this matter.

## P3. Sales and Use Tax Deputy Director's Report

1. Refund Approval

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board adopted Alternative 2: delegate Board approval requirement to staff.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

P4. Special Taxes Deputy Director's Report

1. Approval of FY 2015/16 Tobacco Products Tax Rate

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopt FY 2015/16 Tobacco Products Tax Rate of 28.13 percent as staff recommendation.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

P5. Administration Deputy Director's Report

1. Contracts Over \$1 Million

a. Department of Toxic Substances Control contract for collection of fees pertaining to hazardous waste.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

b. Department of Motor Vehicles contract for collection of sales, use and/or special taxes pertaining to vehicles and undocumented vessels.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

~~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

**Q. Closed Session**

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