



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA, 95814
PO BOX 942879, SACRAMENTO, CA 94279-0081
916-445-6479 • FAX 916-324-3984
www.boe.ca.gov

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First District, San Francisco
Chairwoman

CLAUDE PARRISH
Third District, Long Beach
Vice Chairman

BILL LEONARD
Second District, Ontario

JOHN CHIANG
Fourth District, Los Angeles

STEVE WESTLY
State Controller, Sacramento

**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
DECEMBER 14-15, 2004
NOTICE AND AGENDA**

RAMON J. HIRSIG
Executive Director

Tuesday, December 14, 2004

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of the items on the agenda.

BOARD COMMITTEE MEETINGS* (convene at 9:30 a.m.)

LEGISLATIVE COMMITTEEMs. Migden, Chairwoman

Suggestions for Property Taxes and Business Taxes (General, Sales and Use Taxes, and Special Taxes) legislation to be sponsored by the Board in the first year of the 2005-06 Legislative Session. Additional suggestions will be included on the agenda for January 2005.

➤ **2005 Legislative Proposals—Property Taxes**

- Amend Revenue and Taxation Code Sections 69, 69.3, 170, 171, 172, and 194 to replace references to a Governor declared “disaster” with “emergency.” (Housekeeping)
- Amend Revenue and Taxation Code Sections 63.1 and 69.5 to expressly provide that claim forms for the Parent-Child Exclusion and Elderly and Disabled Base Year Value Transfers are confidential in order to protect disclosure of a taxpayer’s social security number. (Housekeeping)
- Amend Revenue and Taxation Code Sections 214 and 214.8 to make corrective changes to the welfare exemption regarding eligible occasional users of tax exempt properties and limited liability companies. (Housekeeping)
- Amend Revenue and Taxation Code Section 480.4 to authorize the Board to prescribe the content and form of the preliminary change of ownership report, after consultation with the California Assessors’ Association. (Housekeeping)
- Amend Revenue and Taxation Code Sections 755 and 756 to add a needed reference to Section 100.9, related to allocation of tax. (Technical)
- Amend Revenue and Taxation Code Sections 11316 and 11336 to delete an obsolete reference to “declaration of intent” language. (Technical)
- Repeal Sections 38203.5 and 38907 of the Revenue and Taxation Code to delete obsolete date specific laws. (Technical)

- **2005 Legislative Proposals—Business Taxes (Sales and Use Taxes)**
 - Amend Section 16302.1 of the Government Code to increase the overpayment amount from “\$10.00 or less” to “\$20.00 or less” on amounts which can be applied to other amounts owed by the taxpayer or deposited to the appropriate fund in the State Treasury. (Housekeeping)

- **2005 Legislative Proposals—Business Taxes (Special Taxes)**
 - Amend Sections 9405, 9407, 9411, 9420 and 9432 of the Revenue and Taxation Code to properly reference the International Fuel Tax Agreement. (Housekeeping)
 - Amend Section 60603 of the Diesel Fuel Tax Law to allow the state to designate an inspection site for diesel fuel. (Housekeeping)
 - Amend Section 60043 of the Diesel Fuel Tax Law to eliminate the licensing and reporting requirements for government entities that use only tax-paid diesel fuel on the highway and have no tax liability. (Housekeeping)
 - Amend Section 30180 of the Cigarette and Tobacco Products Tax Law to allow for relief of penalty. (Housekeeping)

**CUSTOMER SERVICES AND.....Mr. Leonard, Chairman
ADMINISTRATIVE EFFICIENCY COMMITTEE**

Tax Amnesty Status Report

BUSINESS TAXES COMMITTEE.....Mr. Chiang, Chairman

Proposed regulation regarding requirements for Electronic Funds Transfer reporting, (Regulation 4905, Electronic Funds Transfer), and proposed regulations to cross refer tax and fee payers to proposed Regulation 4905 for information on payments by Electronic Funds Transfer (Regulations 1160, 1331.2, 4031.1, 2520, 2333, 2425, 3005, 3303, 2232.1, 1214, 3203, 3503, and 1425, Payment by Electronic Funds Transfer)

PROPERTY TAX COMMITTEE..... Mr. Parrish, Chairman

Petition to Amend Property Tax Rule 138, Exemption for Aircraft Being Repaired, Overhauled, Modified or Serviced

BOARD MEETING (convenes upon adjournment of the Board Committee Meetings)****ORGANIZATION OF THE BOARD****ORAL HEARINGS****A. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS**

- ~~A1 Joseph and Sally Fernandez, 243530
For Appellant: Bill Shine, Accountant
Joseph Fernandez, Taxpayer
For Franchise Tax Board: Jeanne Sibert, Tax Counsel~~
- A2 Richard and Lori Randall, 260104
For Appellant: Broderick L. Jew, CPA
For Franchise Tax Board: Jeanne Sibert, Attorney
- A3 Paul W. Van Etten and Peng N. Van Etten, 257679
For Appellant: Paul W. Van Etten, Taxpayer
For Franchise Tax Board: Michael Smalley, Tax Counsel
- A4 Stanley A. Posey and Cherine L. Ang, 251556
For Appellant: Stanley A. Posey, Taxpayer
For Franchise Tax Board: Suzanne Small, Tax Counsel
- ~~A5 Peoplesoft, Inc., 259799
For Appellant: Cathy Fleming, Representative
Karen Kenney, Representative
Patrick J. Carney, CPA
For Franchise Tax Board: Brian Miller, Tax Counsel~~
- A6 Rick Spain, 206124, 237220
For Appellant: Rick Spain, Taxpayer
For Franchise Tax Board: Mark McEvilly, Tax Counsel

B. SALES AND USE TAX APPEALS HEARINGS

- B1 Accubid Systems, Inc., 242469
For Petitioner: Mark Feigenbaum, CPA
Michael Bazzi, Attorney
For Department: Chris Schutz, Tax Counsel

- B2 La Mesa Blueprint, 157302
 For Petitioner: Glenn Bystrom, CPA
 Mark Legg, Taxpayer
 Mohan Chandramohan, Taxpayer
 For Department: Randy Ferris, Tax Counsel
- B3 Advanced Component Labs, Inc., 221384
 For Petitioner: Michael Oswald, Taxpayer
 For Department: Randy Ferris, Tax Counsel
- ~~B4 Kathleen Lovell Lemons, 258455
 For Claimant: Douglas Murken, Attorney
 Kathleen L. Lemons, Taxpayer
 For Department: Jeff Graybill, Tax Counsel~~

E. PROPERTY TAX APPEAL HEARINGS

- E1 Alpine PCS, Inc. (2746), 269687 – “CF”
 For Petitioner: Michael Gendelman
 For Department: Reed Schreiter, Tax Counsel
- E2a Delta Energy Center, LLC (1128), 270165 – “CF”
 E2b Sutter Energy Center, aka Calpine Construction Finance, (1132), 270168 – “CF”
 For Petitioner: Cliff Clement, Representative
 Stephen Davis, Attorney
 Fred Vance, Representative
 For Department: Tim Treichelt, Tax Counsel
- E3 Elk Hills Power, LLC (1126), 270180 – “CF”
 For Petitioner: Peter W. Michaels, Attorney
 For Department: Tim Treichelt, Tax Counsel
- E4 High Desert Power Trust 2000-A (1127), 267687 – “CF”
 For Petitioner: Charles J. Moll III, Attorney
 Dannie A. Tobias, Representative
 For Department: Tim Treichelt, Tax Counsel
- E5a Metcalf Energy Center LLC (1133), 270166 – “CF”
 E5b Otay Mesa Energy Center (1134), 270164 – “CF”
 For Petitioner: Cliff Clement, Representative
 Stephen Davis, Attorney
 Fred Vance, Representative
 For Department: Tim Treichelt, Tax Counsel

- E6a Mirant Potrero, LLC (1108), 270432 – “CF”
- E6b Mirant Delta, LLC (1109), 270433 – “CF”
 - For Petitioner: Randy Burns, Representative
Del Kolke, Representative
Kevin Smith, Representative
 - For Department: Tim Treichelt, Tax Counsel
- E7 Pastoria Energy Center, LLC (1131), 270167 – “CF”
 - For Petitioner: Cliff Clement, Representative
Stephen Davis, Attorney
Fred Vance, Representative
 - For Department: Tim Treichelt, Tax Counsel
- E8 Pacific Bell Telephone Company (279), 268430 – “CF”
 - For Petitioner: Eric Miethke, Attorney
Carl Forbis, Representative
 - For Department: Reed Schreiter, Tax Counsel
- E9 Covad Communications Company (7706), 269509 – “CF”
 - For Petitioner: Amy Frees, Representative
Peter Hladek, representative
Ernie Dronenburg, Representative
 - For Department: Shirley Johnson, Tax Counsel

F. PUBLIC HEARINGS

F1 Proposed Amendments to Property Tax Rule 305.3, Application for Equalization under Revenue and Taxation Code section 469Ms. Cazadd

Proposed amendments modify the definitions of property subject to escape assessment and the result of an audit.

F2 Proposed Amendments to Property Tax Rule 1045, Annual Racehorse TaxMs. Cazadd

Proposed amendments to increase tax liability amount for mandatory audits, make technical changes and delete provisions unrelated to an assessor’s functions.

F3 Proposed Amendments to Rules of Practice Regulations 5041, 5073, 5076, 5082.2Ms. Cazadd

The amendments set forth more clearly the requirements for filing a valid petition for reassessment by state assessees and private railroad companies.

F4 Proposed Amendments to the State Board of Equalization's Conflict of Interest Code, Regulation 6001, General Provisions.....Ms. Ograd

Minor revisions are being made to Regulation 6001. Proposed changes to Appendix A reflect classification and organizational changes. Proposed changes to Appendix B add new programs administered by the Board.

F5 Timber Yield Tax Rate Mr. Hayes

Addition to Timber Yield Tax Rate

The Revenue and Taxation Code requires that the Board adjust the timber yield tax rate in December of each year to the nearest one-tenth of one percent for the next calendar year. The adjustment is to be in the same proportion as the change from the previous tax year to the present one of the average general property tax rate in the rate adjustment counties.

F6 Timber Harvest ValuesMs. Stuckey

On or before December 31, the Board, after consultation with the Timber Advisory Committee and after public hearings held pursuant to the Administrative Procedure Act, shall designate areas containing timber having similar growing, harvesting and marketing conditions to be used as timber value areas for the preparation and application of immediate harvest values. (Revenue and Taxation Code section 38204.)

H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY

H8 Property Tax Matters..... Mr. Gau

- Petitions for Reassessment of Unitary Value
 1. San Diego Gas & Electric Company (141), 270216 – “CF”
 2. Southern California Gas Company (149), 270311 – “CF”
 3. Verizon California, Inc., (201), 270170 – “CF”
 4. Citizens Telecommunications Company of California (284), 270169 – “CF”
 5. All American Pipeline, L.P., (465), 268361 – “CF”
 6. Duke Energy Moss Landing, (1103), 270191 – “CF”
 7. Duke Energy Morro Bay, LLC, (1104), 270193 – “CF”
 8. Cabrillo Power I, LLC, (1106), 270227 – “CF”
 9. Cabrillo Power II, LLC, (1107), 270724 – “CF”
 10. El Segundo Power LLC, (1110), 270302 – “CF”
 11. Long Beach Generation, LLC, (1111), 270305 – “CF”
 12. Allegiance Telecom of California, Inc. (7742), 269748 – “CF”
 13. Looking Glass Networks, Inc., (7861), 269855 – “CF”

- Petition for Reassessment of Private Railroad Car Tax
 - 14. Cryo-Trans, Inc. (5946), 283813 – “CF”
- Petition for Reassessment of Nonunitary Value
 - 15. Union Pacific Railroad Company (843), 283205 – “CF”

I. TAX PROGRAM NONAPPEARANCE MATTERS - NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

- I1 Property Taxes Matters Mr. Gau**
- Unitary Escaped Assessment
 - 1. New World Telecom International, Inc. (7967) – “CF”
 - 2. Utility Telephone, Inc. (7994) - “CF”

CHIEF COUNSEL MATTERS

J. Rulemaking

- Sales and Use Tax Ms. Thurston**

Section 100 Change to Regulations

- J1 Request for authorization to amend Sales and Use Tax Regulation 1525.2, Manufacturing Equipment
- J2 Request for authorization to amend Sales and Use Tax Regulation 1525.3, Manufacturing Equipment-Leases of Tangible Personal Property
- J3 Request for authorization to amend Sales and Use Tax Regulation 1566, Automobile Dealers and Salesmen
- J4 Request for authorization to amend Sales and Use Tax Regulation 1610, Vehicles, Vessels, and Aircraft
- J5 Request for authorization to amend Sales and Use Tax Regulation 1620, Interstate and Foreign Commerce
- J6 Request for authorization to amend Sales and Use Tax Regulation 1802, Place of Sales and Use for Purposes of Bradley Burns Uniform Local Sales and Use Taxes

- Special Tax Mr. Boyer**

- J7 *Emergency Regulation 4056.1, Expiration of Heat-Applied Decal Tax Stamps*

L. Property Tax.....Ms. Cazadd

- Board Consideration of Findings and Decisions
 - L1 Duke Energy Oakland LLC (1105), 270197
 - L2 Duke Energy South Bay, LLC (1118), 270198

ADMINISTRATIVE SESSION**N. Consent Agenda..... Ms. Pellegrini****N1 Approval of Board Employee Retirement Resolutions**

- Stephen E. Brown
- Theresa (Terri) Call
- Myra Davis
- ~~Gail Finch~~
- Michael Fontana
- Charles Gentry
- Remona A. Giordano
- Kathleen P. Hodge
- Octavio Lee
- Joseph J. Nanut
- Lorna Perrigo
- Pedro Salas
- Robert Solomon

N2 Approval of Board Resolutions

- Gay Carlson
- Laura SooHoo

N3 Approval of Board Meeting Minutes

- September 21-22, 2004
- October 19, 2004

O. Board Committee Reports

- O1 Legislative Committee
- O2 Customer Services and Administrative Efficiency Committee
- O3 Business Taxes Committee
- O4 Property Tax Committee

P. Other Administrative Matters**P1 Executive Director's Report.....Mr. Hirsig**

Executive Director's opportunity to report on matters of interest to the Board.

1. [AB 986 Legislative Analysts' Office Report to the Legislature](#)
2. ~~[Fiscal Year 2005-06 Baseline Budget](#)~~

P2 Offers-in-Compromise Recommendations.....Ms. Ograd

1. Michael and Christina Upton
2. Steve B. Spangle
3. Munir S. Haddad

ANNOUNCEMENT OF CLOSED SESSION..... Ms. Pellegrini**Q. Closed Session**

- Q1 Discussion and approval of staff recommendations regarding settlement cases (R&T Code Section 6901, 7093.5, 30459.1 and 50156.11)
- Q2 Pending litigation: *Consolidated Electrical, Inc. v. State Board of Equalization*, Los Angeles County Superior Court Case Nos. BC298450 & BC 310852 (Government Code Section 11126(e))
- Q3 Pending litigation: *Calpine Corporation v. State Board of Equalization, et al.*, Proposed Settlement Offer, San Diego Superior Court No. GIC 828751 (Government Code Section 11126(e))
- Q4 Discussion and action on personnel matters (Government Code Section 11126(a))

OPEN SESSION**ADJOURN**

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Deborah Pellegrini, Chief
Board Proceedings Division

* Public comment on any committee agenda item will be accepted at the beginning of the committee 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.

"CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.

If substantial revisions to the published text of the regulations are approved at the hearing, the regulations will be re-published for a new hearing date. If only revisions sufficiently related to the published text of the regulations are approved, a notice containing these revisions will be mailed to those persons who commented orally or in

writing or who asked to be informed of such revisions. The notice will be mailed at least 15 days prior to the scheduled Board adoption of the regulations to allow time for additional comments.

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of items as they appear on the agenda. The hearing location is accessible to the disabled. If you require special assistance, please contact Gary Evans at (916) 445-4394, or e-mail Gary.Evans@boe.ca.gov , to make special arrangements.



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450 N Street, Room 121, Sacramento
DECEMBER 14-15, 2004
NOTICE AND AGENDA**

RAMON J. HIRSIG
Executive Director

Wednesday, December 15, 2004

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of the items on the agenda.

BOARD MEETING (convenes at 9:30 a.m.)**

B. SALES AND USE TAX APPEALS HEARINGS

- B1 Lightwave Electronics Corporation, 223053
For Claimant: Jon A. Sperring, Representative
Derick Brannan, Representative
For Department: Brad Heller, Tax Counsel
- B2 Grundfos US Holding Corporation, 209694
For Claimant: Ernest J. Dronenburg, Representative
David D. Goss, Attorney
Harvey M. Tatsumura, CPA
For Department: Brad Heller, Tax Counsel
- B3 Conextant Systems, Inc., 196556
For Claimant: Jon A. Sperring, Representative
Derick Brannan, Representative
For Department: Brad Heller, Tax Counsel

G. TAX PROGRAM NON-APPEARANCE MATTERS – CONSENT

- G1 Legal Appeals MattersMr. Levine**
 - Petition for Rehearing
 - 1. Kathreen Leann Writesman, 214649
 - Hearing Notice Sent – No Response
 - 2. Margaret Ann Barker-Early, 210206, -07, -09, -11, -12, -13, -15, -17, -19, -21, -23, 233919
 - 3. Caffe Verona, Inc., 240870

- Petitions for Release of Seized Property
 4. Bachint Singh Rathor and Neelam Kaur Rathor, 281364
 5. Ali M. Alawdi, 281363
 6. Judy Taing and Williams Seng Tain, 283261

G2 Franchise and Income Tax Matters..... Ms. Stanislaus

- Decisions
 1. Gordon Anderson, 249655
 2. Henry E. and Claudie L. Barnes, 260008
 3. Richard Beal, 254206
 4. Ronald Brekke, 224269
 5. David W. Carstetter, 263738
 6. Hong Chen, 251870
 7. Michael S. Cianciola, 258740
 8. Clayinvest, Inc., 249945
 9. Kyle and Kimberly Cooper, 267648
 10. John J. Deveno, Jr., 241050
 11. Clarence D. and Elaine Edwards, 258766
 12. Pete Fettig, 254014
 13. Frank E. Fish, 251228
 14. Brian J. Flynn, 253988
 15. Perseveranda M. Goins, 263184
 16. William Gomez, 246311
 17. Maxine Hall, 220767
 18. Sherrie D. Haney, 246253
 19. Bruce R. Harris, 251237
 20. Servando Hurtado, 251236
 21. Scott R. and Judith E. Martin, 253561
 22. Keyvan Masoudi, 259716
 23. Medsearch, Inc., 253647
 24. Jeffrey M. Michaels, 242563
Sandra L. Michaels, 242606
 25. Hung Ngo, 254210
 26. John and Dorothy Perez, 260702
 27. Greg A. Presco, 258167
 28. Phyllis A. Purcell, 261168
 29. Abraham G. Ramirez, 261929
 30. Gilbert A. Rodriguez, 253660
 31. Tommy Romanio and Deborah Romanio (Deceased), 252108
 32. Ahmed and Siham Saleem, 264057
 33. Roger D. Salera, 251023
 34. Thomas R. Schroeder, 250421
 35. Larry M. Sena, 253199
 36. Esteban Serrano, 249291
 37. Kenneth Shaw, 260959
 38. James P. Simpson, 250415
 39. Peter Skikos, 264062

40. Kenneth H. Strauss, 238362
41. John Thomas, 257710
42. Darrel Alan Travis, 254306
43. Mfon F. Udoisa, 254307
44. Michael Kenji Wakamiya, 250414
45. Graham Walker, 259422
46. Michael F. Walsh, 249341
47. Connie Watkins, 258567
48. Terry W. and Dawn W. Williamson, 241485
49. Antoine A. Zeigler, 257712
- Petitions for Rehearing
50. Estate of Jane L. Andrews, 224316
51. James and Jean A. Bagley, 217274
52. Burris and Glaus, Inc., 237016
53. Fakhradin and Laura Mirian, 198390
54. Kirk C. Odegaard, 203278
55. Wendell and Gerry Simmons, 241900
56. Lloyd and Joan Takasugi, 239341
57. Gwendolyn and Sam Wade, 237223
58. David C. Walker, 241996
59. William R. Walsh, 217872
60. Robert B. and Marjorie R. Whitman, 215139

G3 Homeowner and Renter Property Tax Assistance Matters Ms. Stanislaus

- Decisions
1. Alex Aflaki, 254519
2. Seda Ambartsumyan, 262237
3. Carol Ave-Lallemant, 252042
4. Jasper Bailey, 251837
5. Jessie Bair, 259431
6. Geraldine Ballo, 254529
7. Jeanne Beyer, 259433
8. Ebony Blake, 259869
9. Kenneth Borrás, 251834
10. Deborah Chandler, 250064
11. Tyler Chilcott-Marquez, 253860
12. Chris Colon, 257709
13. Araksi Dzheypanyan, 254021
14. N. B. Guzman, 251433
15. Timothy Hampton, 257687
16. Barbara A. King, 259394
17. Martin McLain, 253624
18. Lorna Rae Moore, 252866
19. James J. Myers, 258861
20. Tan Thanh Nguyen, 264378
21. Sandra Ann Williams Parker, 253627
22. Valentina Y. Povazkova, 255908

23. Ermelinda Sanchez, 253658
24. Nancy M. Seeley, 257931
25. Jerry E. Sexton, 251754
26. Earnest Shortridge, 257926
27. Mark Sigal, 257927
28. Boris Slobodnyuk, et al., 255024
29. Sedrak Stepanpour, 257944
30. Anita Story, 256311
31. Samuel L. Toles, 260695
32. Tsangki Tsoi, 252180
33. Rebekah Viselli, 252607
Rachel Viselli, 252608
34. Latrice Walker, 253885
35. Paris Lee Wallace, 252923
Tyshon L. Harris, 252982
Passion L. Harris, 253248
36. Hsiu-Lin Wang, 257977
37. Aaron Weiss, 257981
38. Lawrence West, 252671
39. Julia Whitfield, 264525
40. Julie K. Williams, 252678
41. Pun Loi Wong, 262990
42. Wen Ying Yang, 258004
- Petitions for Rehearing
43. George W. Jordan, 244433
44. Earle L. Penn, 244182

G4 Sales and Use Taxes MattersMr. Young

- Redeterminations
 1. Compaq Computer Corporation, 172352
 2. Konica Quality Photo West, Inc., 187849
 3. Cosine Communications, Inc., 201822
 4. Pall Corporation, 258412
 5. El Dorado Stone LLC, 267046
- Relief of Penalty
 6. Lion Motors, Inc., 283471
 7. Golden State Supply Inc., 283319
 8. Banana Republic, LLC, 284755
 9. Old Navy LLC, 286451
- Denials of Claims for Refund
 10. American Express Travel Related Services Company, 285978
 11. Stein, Inc., 284243
 12. Car Rental Direct.Com, Inc., 205337
 13. Arman Vakili, 91283
 14. TA Operating Corporation, 285741
 15. Foundation Health Warehouse Company, 94057

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

- Credits and Cancellations
 1. Hilton Supply Management, Inc., 283756
 2. Rialto Concrete Products, Inc., 283990
 3. Conexant Systems, Inc., 282281
 4. Tumi, Inc., 283734
 5. GTE Communication Systems Corporation, 285811
- Refunds
 6. Farmers Group Inc., 217684
 7. Deluxe Laboratories, Inc., 283464
 8. Pepperdine University, 207126
 9. Hydro-Aire Company, 223150
 10. Silver Star A.G., Ltd., 281278
 11. Mark Controls Corporation, 223148
 12. Chevron U.S.A., Inc., 265245
 13. Impac Medical Systems, Inc., 268736
 14. Scientific Technology Inc., 270611
 15. Import Motors Inc., 272102
 16. Freedom Acquisitions Inc. & et al, 266400
 17. LSI Logic Corporation, 221302
 18. Solano Imports Inc., 281357
 19. The Golden 1 Credit Union, 282338
 20. Monschein Industries, Inc., 282906
 21. Exxon Mobil Corporation, 253253
 22. Business Incentives, Inc., 284452
 23. Medline Industries, Inc., 168453
 24. American Express Travel Related Service Company, 187607
 25. Cerner Corporation, 253648
 26. Lanier Worldwide Inc., 285873
 27. Stein Inc., 139877
 28. Alcatel Networks, Inc., 283155
 29. Michael Sun, 267107
 30. Telfer Oil Company, 263628
 31. Siemens Subscriber Networks Inc., 145231
 32. Abbott Laboratories Inc., 237227
 33. Old Navy (California) LLC, 282901
 34. California National Bank, 186986
 35. Securitylink, Inc., 265405
 36. Gary M. Reynolds & Associates Inc., 238406
 37. Intermec Tech Corporation Norand Division, 282279
 38. Ciber, Inc., 217482
 39. Fibre Innovations LLC, 281729
 40. DaimlerChrysler Services North America LLC, 201774
 41. Kalypsys, Inc., 259001
 42. Dearden's, 282913
 43. Philip Morris USA Inc., 214190

44. H. J. Heinz Company, 283812
45. Mitsubishi Motors Credit America Inc., 201893
46. MDL Information Systems, Inc., 283214
47. Sacramento Credit Union, 266551
48. TA Operating Corporation, 257798
49. Bombardier Capital, Inc., 281766
50. Sun Microsystems Inc., 242273
51. Riverside County Federal Credit Union, 252026
52. Extreme Networks, 282219
53. Lobel Financial Corporation, 282339
54. Time Finance Company, 271447
55. Norton Community Credit Union, 261004
56. Water & Power Community Credit Union, 268386
57. Triton Acceptance Corporation, 268387
58. Heritage Community Credit Union, 268734

G6 Special Taxes Mr. Gau

- Denial of Claim for Refund
 1. NASA Oil Corporation, 238828
- Relief of Penalty
 2. Miller Brewing Company, 284077 – “CF”

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

- Credits and Cancellations
 1. Less Hassle, Inc., 241645
 2. Less Hassle, Inc., 284240
- Refunds
 3. Atlantic Richfield Company, 206946
 4. Ultramar Inc., 251975 – “CF”
 5. Exxonmobil Oil Corporation, 261813
 6. M V Transportation, 245295
 7. Sistema Internacional De Transportente De Auto, 286716
 8. Thrifty Payless, Inc., 284421
 9. Thrifty Payless, Inc., 284422
 10. Schieffelin Partner Inc., 287116 – “CF”

H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY

H1 Legal Appeals Matters Mr. Levine

- Hearing Notice Sent – Appearance Waived
 1. Leslie Morrison, 193559, 193561
 2. Thomas W. Dolph, 239895
- Case Heard But Not Decided
 3. Von V. and Esther H. Riddle, 190913

H2 Franchise and Income Tax Matters Ms. Stanislaus

- Decisions
 1. Jason Barajas, 252223
 2. Rosemarie Williams, 217726
- Petition for Rehearing
 3. Shirley I. Niles, 221130

H4 Sales and Use Taxes MattersMr. Young

- Redetermination
 1. Conseco Finance Vendor Service Corporation, 198986
- Relief of Penalty
 2. Scholastic Book Clubs, Inc., 282261
 3. Sears-Roebuck and Company, 253144
 4. Oracle Corporation, 222767
 5. The Good Guys – California, Inc., 264813
- Denials of Relief of Penalty
 6. VW Credit Leasing Ltd., 249458
 7. Cannon Power Corporation, 264771

H5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds.....Mr. Young

- Credit and Cancellation
 1. Philip O. Hamilton, 252241
- Refunds
 2. Toyota Motor Sales, U.S.A. Inc., 132785
 3. Nissan North America, Inc., 269028
 4. Summit Medical Center, 268231
 5. American Suzuki Motor Corporation, 89000479330
 6. Western Container Corporation, 206150
 7. Piper Marbury Rudnick & Wolfe LLP, 250890

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Board Proceedings Division

* Public comment on any committee agenda item will be accepted at the beginning of the committee 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.

"CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.

If substantial revisions to the published text of the regulations are approved at the hearing, the regulations will be re-published for a new hearing date. If only revisions sufficiently related to the published text of the regulations are approved, a notice containing these revisions will be mailed to those persons who commented orally or in writing or who asked to be informed of such revisions. The notice will be mailed at least 15 days prior to the scheduled Board adoption of the regulations to allow time for additional comments.

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of items as they appear on the agenda. The hearing location is accessible to the disabled. If you require special assistance, please contact Gary Evans at (916) 445-4394, or e-mail Gary.Evans@boe.ca.gov, to make special arrangements.



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

BOARD PROCEEDINGS DIVISION (MIC:80)
450 N STREET, SACRAMENTO, CALIFORNIA
(P. O. BOX 942879, SACRAMENTO, CA 94279-0080)
916-445-6479 • FAX 916-324-3984
www.boe.ca.gov

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Sacramento/Ontario

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State Controller, Sacramento

RAMON J. HIRSIG
Executive Director

2004/072

December 7, 2004

TO: COUNTY ASSESSORS, COUNTY COUNSELS
AND OTHER INTERESTED PARTIES

Adjustment of 2005 Timber Yield Tax Rate

The State Board of Equalization will conduct a public hearing on the proposed 2005 Timber Yield Tax Rate on Tuesday, December 14, 2004, at 9:30 a.m., in Room 121, 450 N Street, Sacramento, California.

The Timber Yield Tax Rate for 2004 is 2.9 percent. Preliminary calculations indicate that the rate will remain at 2.9 percent for 2005.

Revenue and Taxation Code section 38202 requires that in December the Board adjust the Timber Yield Tax Rate to the nearest one-tenth of one percent for the next calendar year. The adjustment is to be in the same proportion as the change from the previous tax year to the present one of the average general property tax rate in the rate adjustment counties. The rate adjustment counties are Alpine, Del Norte, El Dorado, Glenn, Humboldt, Lassen, Mendocino, Modoc, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity and Yuba.

Any information regarding the rate adjustment that is presented in writing or oral testimony at the public hearing will be considered before final Board adoption on December 14, 2004.

Written comments or requests to present testimony should be directed to Ms. Joann Richmond, Property Tax Appeals Analyst, (916) 322-1931, P. O. Box 942879, 450 N Street, MIC:80, Sacramento, CA 94279-0080.

Sincerely,

Deborah Pellegrini, Chief
Board Proceedings Division

DP:jr

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Item F5
12/14/04