



STATE BOARD OF EQUALIZATION
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Third District, Long Beach

JOHN CHIANG
Fourth District, Los Angeles

STEVE WESTLY
State Controller, Sacramento

RAMON J. HIRSIG
Executive Director

**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
NOTICE AND AGENDA**

Tuesday, March 22, 2005

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

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

LEGISLATIVE COMMITTEE Ms. Yee, Chairwoman

Discussion of the following items:

1. AB 1026 (J. Horton): Administration of Tax: Tax Collection Agencies
2. AB 1615 (Klehs): Governmental Reorganization: Tax Functions
3. ACA 14 (DeVore): California Tax Commission
4. SB 216 (Dutton): Governmental Reorganization: Tax Functions
5. SCA 9 (Ducheny): California Tax Commission

PROPERTY TAX COMMITTEE Mr. Parrish, Chairman

1. Consideration of Proposed Property Tax Rule 474, *Petroleum Refining Properties*
2. Treatment of Emission Reduction Credits as a Component of the Cost Approach in the Valuation of State-Assessed Electric Generating Facilities

BOARD MEETING (convenes upon adjournment of the Board Committee Meetings)**

ORAL HEARINGS

A. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS

- A1 Hocopar, Inc. & Consolidated Subsidiaries, 223807
 For Appellant: Alan J. Pinner, Attorney
 Aaron M. Valenti, Attorney
 For Franchise Tax Board: Michael Smalley, Tax Counsel

- A2 John E. and Sharon A. Tyson, 221998
For Appellant: Dwayne M. Horii, Attorney
Hilary C. Kingston, Attorney
Eric Miethke, Attorney
John E. Tyson, Taxpayer
For Franchise Tax Board: Ron Babcock, Tax Counsel
- A3 Alan F. and Rita K. Shugart, 221743
For Claimant: Christopher A. Whitney, CPA
For Franchise Tax Board: Jozel Brunett, Tax Counsel
- ~~A4 George and Judy Georgiou, 254030
For Appellant: Russell B. Longaway, Attorney
For Franchise Tax Board: Shane Hofeling, Tax Counsel~~
- A5 Paul and Kathleen Sarkaria, 266328
For Appellant: Tom Collins, CPA
For Franchise Tax Board: Renel Sapiandante, Tax Counsel
- A6 John David Lundberg, 255354
For Appellant: John David Lundberg, Taxpayer
For Franchise Tax Board: Diane Ewing, Tax Counsel
- A7 Douglas C. Roberts, 264021
For Appellant: Douglas C. Roberts, Taxpayer
For Franchise Tax Board: Christine Roloff, Tax Counsel

B. SALES AND USE TAX APPEALS HEARINGS

- B1 Prestige Stations, Inc., 181580, 264789
For Petitioner: Eric Miethke, Attorney
Ronald E. Travis, Representative
For Department: Randy Ferris, Tax Counsel
- ~~B2 Barr Mullin, Inc., 82997
For Petitioner: Paul Nelson, Representative
For Department: Chris Schutz, Tax Counsel~~
- B3 Atlantic Richfield Company, 181606
For Petitioner: Ronald E. Travis, Representative
For Department: Chris Schutz, Tax Counsel
- B4 Reel Tape Corporation, 166633
For Petitioner: Stan Braidman, Taxpayer
Joe Leifer, Consultant
For Department: Kevin Hanks, Hearing Representative

- B5 International Investment Properties, Inc., 144677
For Petitioner: Dale Grewal, Taxpayer
V.S. Grewal, CPA
For Department: Kevin Hanks, Hearing Representative
- ~~B6 Mohammad Wahid Nayibkhal and Arian Baraki, 235824
For Petitioner: Arian Baraki, Taxpayer
For Department: Anthony Epolite, Tax Counsel~~
- B7 Jerry Rosenbusch, 215133
For Petitioner: William Dysart, Representative
For Department: Jeffrey Graybill, Tax Counsel
- B8 Herman V. and Catherine E. DeVera, 216621
For Petitioner: Herman V. DeVera, M.D., Taxpayer
For Department: Jeffrey Graybill, Tax Counsel
- ~~B9 Tri Air, Inc., 240935
For Petitioner: Charles L. Robinson, Taxpayer
Bill Fanucchi, CPA
For Department: Kevin Hanks, Hearing Representative~~
- B10 Templock Enterprises, LLC, 255362
For Petitioner: Abe Golomb, Representative
For Department: Randy Ferris, Tax Counsel
- ~~B11 Telmax Communications Corporation, 250368
For Petitioner: Nai Yu Pai, CPA
For Department: Kevin Hanks, Hearing Representative~~
- B12 Thanhtam Thi Pham, 169954
For Petitioner: Peter Liederman, Attorney
Lawrence Ramirez, Attorney
Helen Chang, CPA
Trong Nguyen, Accountant
Chi Pham, Manager
Thunh Tam Pham, Taxpayer
For Department: Kevin Hanks, Hearing Representative

F. PUBLIC HEARING**F1 Adoption of Proposed Special Taxes Regulations 1160, 1214, 1331.2, 1425, 2232.1, 2333, 2425, 2520, 3005, 3203, 3303, 3503, 4031.1, and 4905 pertaining to Electronic Funds Transfer Ms. Thurston**

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*).

G. TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT**G1 Legal Appeals MattersMr. Levine**

- Petitions for Rehearing
 1. ABC NJ, Inc., 150661
 2. Bosch Auto Center, Inc., 150660
- Hearing Notice Sent – No Response
 3. Bentec Medical, 223786
 4. Albert Mark Garcia, 258850

G2 Franchise and Income Tax Matters Ms. Stanislaus

- Decisions
 1. Saun Hwa Baek, 266621
 2. Jack Clemes, 263263
 3. Christopher Craddock and Glenda Heugh, 260886
 - ~~4. Azer B. Daut, 263189~~
 5. Thom Espinosa, 254902
 6. Debra Ann Miller, 255136
 7. Patricia Ann Thompson, 264060
- Petitions for Rehearing
 8. Leonard M. and Merri Jean Ross, 203280
 9. Roy Eugene Tuckman, 245871

G3 Homeowner and Renter Property Tax Assistance Matters Ms. Stanislaus

- Decisions
 1. Pamela Selahvarzi, 268777
 2. Carter Spikes, 284183

G4 Sales and Use Taxes Matters Ms. Henry

- Redeterminations
 1. Long Beach Cable, Inc., 138564
 2. Electronics for Imaging, Inc., 263003
 3. Costco Wholesale Membership Company, 214651

- Relief of Penalty
 4. Pacific Ford, Inc., 296624
 5. Sun Microsystems, Inc., 296728
- Denials of Claims for Refund
 6. Schmid Insulation Contractors, Inc., 297606
 7. Kimberly-Clark Worldwide, Inc., 296563
 8. Reuben David Chudy, 234699

G5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds..... Ms. Henry

- Credits and Cancellations
 1. Powell Electrical Manufacturing Company, 297871
 2. Essentially Yours Industry Corporation, 297552
- Refunds
 3. Warner Brothers Records, Inc., 296452
 4. Los Robles Regional Medical Center, 254857, 262505
 5. Schmid Insulation Contractors, Inc., 213933
 6. Stanford University, 290059
 7. Cypress Semiconductor Corporation, 185468
 8. Buth-Na-Bodhaige, Inc., 252760
 9. Mercedes-Benz USA, LLC, 295414
 10. Kimberly-Clark Worldwide, Inc., 284746
 11. O’Gara Coach Company, LLC, 295737
 12. RMC Pacific Materials, Inc., 295619
 13. TV Magic, Inc., 288515
 14. Delaware Mitchell International, Inc., 261315
 15. Tutor-Saliba Corporation, 296611

G6 Special Taxes Matters Mr. Gau

- Redeterminations
 1. Home Depot U.S.A., Inc., 261591
 2. Home Depot U.S.A., Inc., 261622

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

- Refunds
 1. Home Depot, U.S.A., Inc., 240279
 2. Americo Financial Life & Annuity Insurance, 217326 – “CF”

G8 Property Tax Matters

THERE ARE NO ITEMS FOR THIS MATTER

H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY**H1 Legal Appeals MattersMr. Levine**

- Petition for Rehearing
 1. David M. Golumbic, 216561
- Hearing Notice Sent – No Response
 2. ~~Harjinder S. Birdi, 215318~~
- Case Heard But Not Decided
 3. James Harper, 240351

H2 Franchise and Income Tax Matters Ms. Stanislaus

- Decisions
 1. Elizabeth Montes, 224954
Dennis Arthur Speldrick, 225542
 2. Richard and Lori Randall, 260104
 3. Susan Lynne Sabin, 260586
- Petition for Rehearing
 4. James and Jean A. Bagley, 217274

H3 Homeowner and Renter Property Tax Assistance Matters
*THERE ARE NO ITEMS FOR THIS MATTER***H4 Sales and Use Taxes Matters Ms. Henry**

- Relief of Penalty
 1. Valero Marketing & Supply Company, 286662
 2. South Bay Ford, Inc., 286141
- Denial of Claim for Refund
 3. Centellax, Inc., 250575

**H5 Sales and Use Taxes Matters – Credits, Cancellations,
and Refunds**
*THERE ARE NO ITEMS FOR THIS MATTER***H6 Special Taxes Matters**
*THERE ARE NO ITEMS FOR THIS MATTER***H7 Special Taxes Matters – Credits, Cancellations, and Refunds**
*THERE ARE NO ITEMS FOR THIS MATTER***H8 Property Tax Matters**
THERE ARE NO ITEMS FOR THIS MATTER

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

I1 Property Taxes Matters Mr. Gau

- Audits
 1. Foresthill Telephone Company (235) – “CF”
 2. CALNEV Pipe Line, LLC (402) – “CF”
 3. Global Tel*Link Corporation (7988) – “CF”
- Board Roll Changes
 4. 2003 and 2004 State-Assesses Property Rolls – “CF”

CHIEF COUNSEL MATTERS

J. Rulemaking

AdministrationMs. Ograd

J1 Petition to amend the Rules of Practice regarding: (1) the granting of additional time for oral hearings in complex or significant cases; (2) the order of oral hearings on the Board’s agenda; and (3) the publishing of Board Opinions.

Sales and Use TaxMs. Thurston

J2 Petitions to Amend or Repeal subdivision (h), “Buying Companies-General” of Sales and Use Tax Regulation 1699, Permits Attach 1 & Attach 2

K. Business Taxes

THERE ARE NO ITEMS FOR THIS MATTER

L. Property Tax

THERE ARE NO ITEMS FOR THIS MATTER

M. Other Chief Counsel Matters

THERE ARE NO ITEMS FOR THIS MATTER

ADMINISTRATIVE SESSION

N. Consent Agenda Ms. Pellegrini

N1 Approval of Board Employee Retirement Resolutions

- Robert Sayre
- Janet M. Tankersley
- Carl E. Vandrie
- Rayvella M. Zentner

N2 Approval of Board Meeting Minutes

- November 17, 2004
- December 14-15, 2004
- January 25, 2005

N3 Approval of Board Meeting Date Changes

- Change October 18 and 19 (Sacramento) to October 25 and 26
- Change November 8 and 9 (Sacramento) to November 15 & 16
- Change November 16 (San Diego) to November 8

O. Board Committee Report

O1 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. Streamlined Sales Tax Project Update

P2 Contracts Over \$1 Million..... **Ms. Zentner**

P3 Finance Letters **Ms. Zentner**

1. Special Tax Jurisdictions Workload Increase

ANNOUNCEMENT OF CLOSED SESSION..... **Ms. Pellegrini**

Q. Closed Session

- Q1 Discussion and approval of staff recommendations regarding settlement cases (R&T Code § 6901, 7093.5, 30459.1 and 50156.11)
- Q2 Pending litigation: *barnesandnoble.com llc v. State Board of Equalization* Santa Clara County Superior Court Case No. 104CV032426 (Government Code Section 11126(e))
- Q3 Discussion and action on personnel matters (Govt. Code § 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 Chair 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.