



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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State Controller, Sacramento

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

Wednesday, September 8, 2004

RAMON J. HIRSIG
Executive Director

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

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

PROPERTY TAX COMMITTEE Mr. Parrish, Chairman

- 1. Amendments to Rules of Practice 5041, 5073, 5076, and 5082.2.

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

ORAL HEARINGS

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARING

B1 Alan Bouverat, 218724
For Claimant: Alan Bouverat, Taxpayer
For Franchise Tax Board: Dennis Haase, Tax Counsel

D. SALES AND USE TAX APPEALS HEARINGS

D1 Giraux, Ltd., 16494
For Petitioner: Tamar Kilijian, Taxpayer
Jirair Sarkissian, Taxpayer
Joseph Vinatieri, Attorney
For Department: Sharon Jarvis, Tax Counsel

D2 Joyeria Internacional, Inc., 139250
For Petitioner: Kurt Miller, Attorney
Antonio Castaneda, Taxpayer
For Department: Randy Ferris, Tax Counsel

D3 Pacific Pac, Inc., 192571
For Petitioner: James A. Martin, CPA
Earl R. Thomas, Representative
For Department: Trecia Nienow, Tax Counsel

- D4 Imad Spiro Mansour, 205729
 For Petitioner: Imad Spiro Mansour, Taxpayer
 Julian McClendon, Accountant
 For Department: Kevin Hanks, Hearing Representative
- D5 Hepworth and Associates, Inc., 184857
 For Petitioner: Scott Hepworth, Taxpayer
 For Department: Chris Schutz, Tax Counsel
- D6 Dung Ngoc Do, 167611
 For Petitioner: Dung Do, Taxpayer
 For Department: Kevin Hanks, Hearing Representative
- D7 Diane L. Janzen, 192574
 For Petitioner: Diane Janzen, Taxpayer
 Claus Janzen, Representative
 For Department: Anthony Epolite, Tax Counsel

C. SPECIAL TAXES APPEAL HEARING

- C1 Setha Iv, 195735
 For Petitioner: Setha Iv, Taxpayer
 For Department: Monica Brisbane, Tax Counsel

E. PROPERTY TAX APPEAL HEARING

- E1 Altrio Communications, Inc. (7910), 266005 – “CF”
 For Petitioner: Mark Haverkate, Representative
 Dave Haverkate, Representative
 Jeff Decker, Representative
 For Department: Lou Ambrose, Tax Counsel

F. PUBLIC HEARING

F1 Proposed Amendments to Property Tax Rule 462.500, Change in Ownership of Real Property Acquired to Replace Property Taken by Governmental Action or Eminent Domain ProceedingsMs. Cazadd

Proposed Amendments to Property Tax Rule 462.500, *Change in Ownership of Real Property Acquired to Replace Property Taken by Governmental Action or Eminent Domain Proceedings*, interprets "comparability" to substantially conform to the concept of "like-kind" property in Internal Revenue Code section 1031 and interprets "acquisition by a public entity" to include acquisition by a duly authorized agent of the public entity to conform more closely to the involuntary conversion provisions of Internal Revenue Code section 1033. The amendment adds examples of the manner in which the principal-agent relationship between a public entity

and a third party may be established, adds definitions for "displaced," "real property," and "adjusted base year value," adds an additional date after which replacement property must be acquired, and clarifies the base year value to be transferred.

G. TAX PROGRAM NON-APPEARANCE MATTERS – CONSENT

G2 Franchise and Income Tax Matters Ms. Stanislaus

- Decisions
 1. Mears Allen, 244675
 2. Armando H. Arizmendiz, 246541
 3. Charles G. and Barbara A. Balchumas, 243864
 4. Pearl I. Birchard-Adam, 224471
 5. John P. and Susan B. Brennan, 238350
 6. Richard Courtney, 219041
 7. Dorothea Ertz, 225270
 8. Max Ganser, 246266
 9. Garden Gate, Inc., 246273
 10. George Green, 243529
 11. Nancy Jeam Haims, 250204
 12. William R. Hallemeyer, 246264
 13. Ching-I and Pih-Kuei Huang, 185996
 14. John J. and Kathryn C. Huber, 250254
 15. Hai Huynh, 246329
 16. Hernan Jacobo, 243392
 17. Dottie James, 205954
 18. Simon W. Lau, 250028
 19. Derrick A. Lomax, 240754
 20. Norman A. Maher, 239542, 240968
 21. Phillip D. Maynard, 245398
 22. Abdul Majid and Khairoonnisa Motiwala, 249950
 23. Renee and Steven D. Nuzum, 234570
 24. Vickie D. and Michael Perez, 242024
 25. RJ Standard Corporation, 242022
 26. Software 2010, LLC, 241862
 27. Steven C. and Linda R. Spencer, 245897
 28. Richard Zenobi, 246154
- Petitions for Rehearing
 29. Paul E. Ballmer, 192188
 30. Audrey Demirjian, 215894
 31. Earl Dwaine Finley, 207678
 32. Dale E. and Carol J. Fredericks, 186833
 33. Hubert (deceased) and Joann Idleman, 153581, 209932
 34. Pete D. Nunez, 89002464650
 35. O. Jeffrey Owen, 202127
 36. Viren Patel, 210174
 37. Trude A. and Timo J. Peltonen, 240278

G3 Homeowner and Renter Property Tax Assistance Matters Ms. Stanislaus

➤ Decisions

1. Charlotte Armstrong, 241719
2. Tatiiana Aroutiounian, 244356
3. Carl Evans Bay, 244791
4. Francesco Belmonte, 244830
5. Heather M. Blevins, 258570
6. Thi Uyen Bui, 239672
7. Lynn M. Caluya, 241544
8. Monita Cameron, 241638
9. Ingrid Carter, 253815
10. Elba Castillo, 239171
11. Kwai Ho Cheung, 245015
12. Wein Shiu Liu Chou, 253862
13. Audrey Davis, 250345
14. Michael De Augustine, 250354
15. Richard Diaz, 239161
16. Huong Do, 244987
17. Jenni Dunn, 257704
18. David Duong, 254019
19. Irma Easton, 254022
20. Benjamin Feliciano, 245036
21. Juanita DeLeon Flores, 251092
22. Gloria Galloway, 251463
23. Julius Gil, 251460
24. Aleksandr Gitman, 251430
25. William B. Gordon, 251421
26. Mischa Maree Green, 251435
27. Mary Haynes, 245046
28. Anthony Herren, 245027
29. Christopher Humble, 251114
30. Ephraim Davis James, 251470
31. Walter E. Kellems, 257690
32. Fanya Kelmanzon, 251512
33. Nicholas Kinser, 251398
34. Mickey Kuller, 244267
35. Esfir I. Kunina, 251389
36. Er Mei Lin, 246134
37. Stella Love, 252850
38. Jose Lozada, 252851
39. Bryan J. McKinley, 252860
40. Teodoro Morales, 256240
41. Michael Morinan, 252865
42. Gowhar Nazir, 251825
43. Trong Nguyen, 251234
44. Salome Y. Park, 252892
45. Fine T. L. Peng, 255102

46. Rema R. Perlas, 252900
47. Jeff Pharis, 252902
48. Kenneth L. Powell, 252909
49. Timothy Pritchard, 255107
50. Deborah Quick, 255911
51. Jorge Quirino, 252915
52. Marshall Rand, 252919
53. Nora L. Ripley, 255110
54. Lori Roberto, 255012
55. Nelson Robinson, 252926
56. Emma Rogers, 254643
57. Alma R. Rosa, 252968
58. Marian Dorsey Rosas, 252930
59. Betty Rutkowski, 252946
60. Selma Samuels, 253657
61. Jimmie Scates, 242321
62. Oanh Phi Sears, 253659
63. Karen A. Siegel, 251778
64. Tsuruko Starck, 252121
65. Luz V. Sur, 252126
66. Hazel Swan, 252127
67. Sergio Tartabul, 252151
68. Zoila Tezanos, 252165
69. Vince L. Thomas, 252184
70. Jeri K. Thompson, 252169
71. Thao Tran, 252179
72. Lennell Tucker, 252181
73. Shirlean B. Warren, 252669
74. Clifford Wheat, 252674
75. Willie Williams, 252679
76. Steve Winters, 252192
77. Robert J. Young, 252684
- Petition for Rehearing
78. Phong N. Nguyen, 224385

G4 Sales and Use Taxes MattersMr. Young

- Redeterminations
 1. S.W.I.F.T. SC, 219570
 2. Phillips Plastics Corporation, 188817
 3. Diebold Incorporated, 242687
 4. Johnson Scaffolding Company, 242415
- Denials of Claims for Refund
 5. National Film Laboratories, Inc., 262563
 6. Enthone-Omi, Inc., 188573
 7. Rush Press, Inc., 203735
 8. Scitex Vision America, Inc., 249240

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

- Credits and Cancellations
 1. Central Valley Tom's Sales, Inc., 265440
 2. Soma Networks, Inc., 267379
 3. James Alan Story, 265786
 4. Oracle Corporation, 259555
- Refunds
 5. El Camino Resources, LTD., 262480
 6. Chevron U.S.A., Inc., 261340
 7. Coxcom, Inc., 91479
 8. William P. Wilson & Sons, Inc., 213119
 9. Dennis Uniform Manufacturing Company, 262555
 10. Tice Electric Company, 220646
 11. Lodgenet Entertainment, Inc., 249238
 12. Johnson Controls Battery Group, Inc., 266885
 13. Chevrolet Motor Division, 260601
 14. Daimler Chrysler Corporation, 258222
 15. Thomas Weisel Partners, LLC, 263351
 16. Louisiana-Pacific Samoa, Inc., 249342
 17. Western Supply Corporation, 190106
 18. HDL Focus, Inc., 188537
 19. Micron Technology, Inc., 174618
 20. Agilent Technologies, Inc., 205068
 21. Aurora Networks, Inc., 244828
 22. Stahls, Inc., 207095
 23. Hoss Equipment Company, 238488
 24. General Electric Company, 240716
 25. Wescom Credit Union, 257953
 26. Sun Microsystems, Inc., 235678
 27. Lumenis, Inc., 184386

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

- Refund
 1. Petro-Diamond Incorporated, 208114

G8 Property Tax Matters..... Mr. Gau

- Timber Yield Tax Claim for Refund
 1. Pacific Gas & Electric Company, 270045

H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY**H1 Legal Appeals Matters Mr. Angeja**

- Petitions for Rehearing
 1. Gary R. Gibbs, 143214
 2. Sirarpi Kechedzian, 113001
- Hearing Notice Sent – Appearance Waived
 3. Estate of W. Fong Yue, 212439, 212441

- Cases Heard But Not Decided
 4. Kathreen Leann Writesman, 214649
 5. Summit Aviation, Inc., 164643
- Matter for Board Consideration
 6. Siemens Information & Communication Mobile, LLC, 239802

H4 Sales and Use Taxes MattersMr. Young

- Redetermination
 1. Hanmar Enterprises, Inc., 135972
- Relief of Penalty
 2. Baxter Healthcare Corporation, 236381

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

- Credit and Cancellation
 1. Pomona Valley Service, Inc., 260191
- Refund
 2. Clarke American Checks, Inc., 181661

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

I1 Property Taxes Matter..... Mr. Gau

- Unitary Escaped Assessment
 1. Utility Telephone, Inc., (7994) – “CF”

CHIEF COUNSEL MATTERS

J. Rulemaking

AdministrationMs. Ogrod

[Request for Authorization to Publish](#)

- J1 Regulation 6001, General Provisions, request for authorization to publish proposed amendments to the State Board of Equalization’s Conflict of Interest Code

ADMINISTRATIVE SESSION

N. Consent Agenda..... Ms. Pellegrini

- N1 [2004-05 Emergency Telephone Users Surcharge Rate](#)
- N2 [Property Tax Exemption Claim Forms](#)
- N3 [Summons to Annual Meeting of the Board and County Assessors](#)
- N4 [2005 Diesel Fuel Tax Rate for Interstate Users](#)

O. Board Committee Report

- O1 Property Tax Committee

P. Other Matters

- P1 Executive Director's Report**.....**Mr. Hirsig**
Executive Director's opportunity to report on matters of interest to the Board.
1. **Legislative Status Report**
- ~~**P2 Budget Change Proposal**.....**Ms. Zentner**~~
~~1. **Transmittal of Fiscal Year 2005-06 Department of Motor Vehicles (DMV) Placeholder**~~
- P3 Offers-in-Compromise Recommendations**.....**Ms. Ograd**
1. Sally S. De Philippis
 2. Food King, Inc.

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

Q. Closed Session

- ~~**Q1 Potential litigation under Government Code Section 11126 (e)(B)(i)**~~
Q2 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 republished 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.