



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA, 95814
PO BOX 942879, SACRAMENTO, CA 94279-0081
916-322-2270 • FAX 916-324-3984
www.boe.ca.gov

BETTY T. YEE
Acting Member
First District, San Francisco

BILL LEONARD
Second District, Sacramento/Ontario

CLAUDE PARRISH
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**

PRELIMINARY RECORD OF BOARD ACTION

The following is a preliminary record of Board actions taken at the March 28, 2006 Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions are 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 (916) 322-2270 or e-mail: cathy.stroh@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

BOARD COMMITTEE MEETINGS

Please see Page 23, **O. Approval of Board Committee Minutes**, for voting results.

BUSINESS TAXES COMMITTEEMr. Chiang, Committee Chair

BOARD MEETING

ORAL HEARINGS

A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARINGS

There were no hearings for this matter.

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS

B1. J. Mwah Polson, 306075

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B2. Scott R. Martin and Judith E. Martin, 253561

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' Appeal Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B3. Michael Dilkey and Nancy Dilkey, 306366
Motivated Transportation Dynamics, Inc., 306391

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Mr. Leonard	Yes
	Mr. Parrish	No
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B4. Manuel Mireles and Rosa Mireles, 304422

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Board Determination	Mr. Leonard	Yes
Ordered that Taxpayer be granted 30 days to submit supporting documentation, Franchise Tax Board 30 days to respond and the Appeals Division 30 days to review the taxpayer's supporting documents and prepare a recommendation to the Board.	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B5. Robert P. Anderson and Marlene P. Anderson, et al., 313978
 Stephen R. Fake and Deborah J. Fake, et al., 314025
 Dan M. Lusky and Lisa Dewitt-Lusky, et al., 313988

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' Appeal Denied	Mr. Leonard	No
	Mr. Parrish	No
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B6. Mercury General Corporation, 145450

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Not Participating
	Ms. Yee	Yes
	Mr. Chiang	Not Participating

B7. Joseph R. Banister, 305606

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied – A \$5,000 frivolous appeal penalty was ordered	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	No

C. SALES AND USE TAX APPEALS HEARINGS

C1. Mohammad Wahid Nayibkhil and Arian Baraki, 235824 (KH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' Petition Partially Granted/Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

C2a. United Parcel Service, Inc., 98724, 126831, 131381, 153034, 192709, 242411 (OH)

C2b. United Parcel Service, Inc., 98726, 131383, 131431, 153036, 207917, 242304 (EAA)

C2c. United Parcel Service, Inc., 272826 (CH)
POSTPONED TO JUNE SACRAMENTO

C3. Chris T. Attkisson and Loretta P. Attkisson, 235821 (KHO)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Board Determination	Mr. Leonard	Yes
Ordered that Taxpayer be granted 30 days to submit post hearing documentation, Sales and Use Tax Department 30 days to respond and the Appeals Division 30 days to prepare a recommendation to the Board	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

C4. P.J. Helicopters, Inc., 224188 (UT) - Postponed to April – Sacramento

D. SPECIAL TAXES APPEALS HEARINGS

These hearings were scheduled for Wednesday, March 29, 2006.

E. PROPERTY TAX APPEALS HEARINGS

There were no hearings for this matter.

F. PUBLIC HEARINGS

F1 Business Taxpayers' Bill Of Rights Hearings

Individuals have the opportunity to present their ideas, concerns, and recommendations regarding legislation, the quality of agency services, and other issues related to the Board's administration of its tax programs. At the Business Taxes hearings you can comment on the administration of sales and use taxes, environmental fees, fuel taxes, and excise taxes.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Action Required	Mr. Leonard Mr. Parrish Mr. Westly/Ms. Mandel Ms. Yee Mr. Chiang	

F2 Property Taxpayers' Bill Of Rights Hearings

Individuals have the opportunity to present their ideas, concerns, and recommendations regarding legislation, the quality of agency services, and other issues related to the Board's administration of its tax programs. At the Property Taxes hearings you can comment on the property taxes programs and laws administered by the Board, and identify ways to resolve any problems identified in the Property Taxpayers' Advocate's Annual Report.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Action Required	Mr. Leonard Mr. Parrish Mr. Westly/Ms. Mandel Ms. Yee Mr. Chiang	

F3 Proposed Amendments to Property Tax Rules**1. Rule 140, Welfare Exemption Requirements for Low-Income Housing Properties**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

2. Rule 140.1, Requirements of Managing General Partner of Limited Partnership for Welfare Exemption for Low-Income Housing Properties

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved With Staff Recommended Revisions	Mr. Leonard	No
	Mr. Parrish	No
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

3. Rule 140.2, Requirements for Supplemental Clearance Certificate for Limited Partnership for Welfare Exemption for Low-Income Housing Properties

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	No
	Mr. Parrish	No
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

4. Rule 143, *Requirements for Irrevocable Dedication Clause and Dissolution Clause for Organizational Clearance Certificate for Welfare Exemption*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

Rules 140, 140.1, and 140.2 clarify the requirements under Revenue and Taxation Code section 214, subdivision (g) to qualify for the welfare exemption for low-income properties.

Rule 143 clarifies the requirements for the irrevocable dedication and dissolution clause for nonprofit organizations claiming the welfare exemption under Revenue and Taxation Code section 214.

G. TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT

G1 Legal Appeals Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation No Final Determination on Sub-item 3	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

- Hearing Notice Sent – No Response
 1. Radio Engineering Industries, Inc., 241038 (OHA)
 2. DSET Corporation, 169300 (OHB)
 3. ~~Donald A. Farrelly and Sheila M. Chapman, 265253 (BH)~~
 4. Mal-Wal, Inc., 294997 (JHF)
- Petitions for Release of Seized Property
 5. Izzat Kamel Asfour, 336702 (BH)
 6. Gurdev Singh Pooni, 334693 (KHM)

G2 Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
No Final Determination on Sub-item 3, 13	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

➤ Decisions

1. Chino Development League, Inc., 311530
2. Raymond P. Crum, 309571
3. Mark Crumpacker, 313396
4. Bo Gao, 311617
5. Kenneth Gisstennar, 306153
6. Howard L. Greenblatt and Debra D. Greenblatt, 303631
7. Paul Kaleta and Vicky Kaleta, 287729
8. Jonathan C. McCracken, 306871
9. Monkee Business, LLC, 317411
10. Lawrence Phillips, 266204
11. James W. Rafferty, 312501
12. Alejandro Roman, 315224
13. John J. Roppo, 311951
14. James L. Tarpo, 301163
15. Matthew A. Tunney and Stephany J. Tunney, 308146
16. Warren D. Ward, 260981
17. Hang Zhang, 310518

➤ Petitions for Rehearing

18. Avalon Sunset, A California Corporation, 283190
19. A. Fabian Garces, 270324
20. Byron Howell and Donnia Howell, 246320
21. James W. McCain, 270549
22. Michael G. McKinney, 290004
- 23a. Rick Spain, 206124
- 23b. Rick Spain, 237220
24. Stephen Trimberger and Laura Trimberger, 288720
25. Dale A. Waltz and Anita L. Waltz, 288719

G3 Homeowner and Renter Property Tax Assistance Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

- Decisions
1. Yevgenia Bogomilsky, 300010
 2. Majid Deyhim, 328872
 3. Margie Garcia, 301772
 4. Pamela Lashonda Ross, 306982

G4 Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes - not participating in #9
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes – not participating in #9 & 12

- Redeterminations
1. Michelin Tire Corporation, 214644 (OHB)
 2. Automated Packaging Systems, Inc., 310290 (OHA)
 3. Aptix Corporation, 84143 (GH)
 4. Sunset Aviation, Inc., 331752 (UT)
 5. First American Real Estate Southern, LLC., 241701 (EA)
 6. California Auto Express, Inc., 255771 (AS)
 7. Charles River Laboratories, Inc., 296703 (OHB)
 8. Eisenhower Health Services, 254081 (EHC)
- Relief of Penalty/Interest
9. Ralphs Grocery Company, 338976 (AA)
 10. Rancho Ready Mix, 339053 (EH)
 11. Grove Lumber & Building Supply, Inc., 340029 (EH)
 12. Food 4 Less of California, Inc., 338977 (AA)
 13. Qualex, Inc., 336917(OHB)
 14. Bizmart, Inc., 340026 (OHA)

15. California Builder Appliances, Inc., 339057 (JH)
16. Gunderson Auto Group, LLC, 339067 (AP)
17. Hughes Markets, Inc., 338939 (AA)
- Denials of Claims for Refund
 18. Mills/Peninsula Hospital, 339788 (BH)
 19. Swingles Furniture Rental, Inc., 255297 (OHA)

G5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

- Credit and Cancellation
 1. Riso Family Motors, Inc., 340083 (EH)
- Refunds
 2. National Ready Mixed Concrete Company, 336947 (AR)
 3. Lynwood Unified School District, 315353 (AA)
 4. Lick Wilmerding School, 300642 (BH)
 5. California Physician's Service, 289235 (BH)
 6. Charles Bullock Hope, 309524 (FH)
 7. Inter-State Oil Company, Inc., 310355 (KH)
 8. The Sleep Train, Inc., 271026 (KH)
 9. Lanier Worldwide, Inc., 287927 (OHC)
 10. Container Corporation of America, 317034 (AA)
 11. Sunrider Corporation, 336390 (AS)
 12. Childtime Childcare, Inc., 234105 (OHA)
 13. GEAC Enterprise Solutions, Inc., 339534 (OHC)
 14. Datex-Ohmeda, Inc., 333018 (OHA)
 15. Vacco Industries, 294849 (AP)
 16. Goldman Sachs & Company, 264927 (OHB)
 17. Rocco Grieco, 301064 (AA)
 18. Corporate Software & Technology, 313780 (OHC)
 19. Keypoint Credit Union, 313695 (GH)
 20. S & T Corporation, Inc., 318376 (AC)
 21. Erickson Air-Crane, Inc., 300077 (KHM)
 22. Faville, Inc., 339419 (FH)
 23. W. W. Grainger, Inc., 339635 (OHA)
 24. Northrop Grumman Systems Corporation, 327437 (AS)
 25. USE Credit Union, 312985 (FH)
 26. A-L Financial Corporation, 315503 (EA)
 27. A-L Financial Corporation, 333019 (EA)

G6 Special Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Not Participating
	Ms. Yee	Yes
	Mr. Chiang	Yes – not participating in #2

- Relief of Penalty
 1. Sun Life Assurance Company of Canada, 268875 (OH) – “CF”
 2. General Electric Capital Assurance, 316548 (OH) – “CF”
 3. Explorer Insurance Company, 333665 (OH) – “CF”

G7 Special Taxes Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes - not participating in #2
	Ms. Yee	Yes
	Mr. Chiang	Yes

- Refunds
 1. Costco Wholesale Corporation, 339364 (EH)
 2. Aetna Life Insurance Company, 339374 (OH) – “CF”

There were not 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**

➤ Cases Heard But Not Decided

1. Tareq Sulaiman and Kathy Sulaiman, 249880 (GH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' Petition Partially Granted/Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

2. John Raymond Collins and Lisa House, 170436 (UT)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' Petition Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

3. AGS Enterprises, Inc., 215145 (FH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Partially Granted/Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

- Matter for Board Consideration
 - 4. Tri-Air, Inc., 240935 (KHO)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' Petition Partially Granted/Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

H2 Franchise and Income Tax Matters

- Opinion
 - 1. James C. Meek and Florence Meek, 290009

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' Appeal Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

- Decisions
 - 2. ~~John T. Berg, 300516~~

- 3. Norma Jean Cattle Company, 303567

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

4. Richard M. Trank, 304962

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Granted	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	No
	Mr. Chiang	Yes

5. ~~Geoffrey K. Wascher, 307238~~

➤ Petitions for Rehearing

6. Giuseppe Aiello, 240658
 Bennie Anselmo, 241129
 Bennie Anselmo, Sr., 241151
 Thomas Arens, 241154
 Renato Avanzino, 241159
 Michael Joseph Biagini and Elizabeth A. Biagini, 241164
 Natalio Cademartori, 241330
 Fernando Cambri, 241332
 Juanito Cuneo, 241334
 Ugo J. Cuneo, 241335
 Victor D'Agnoles, 241336
 Casimiro Damele, 241337
 Adolpho Delcarlo, 241339
 Mary Della Cella, 241340
 Susan Della Cella, 241342
 Mario Delucchi, 241344
 Alfred De Martini, 241365
 Estate of Ann M. De Martini, 241366
 Eugene V. De Martini, 241368
 Gino De Martini, 241369
 Paul De Martini, 241370
 Angelo DeVincenzi, 241371
 James DeVincenzi, 241372
 Alipio Fatica, 241373
 Elmo Fatica, 241374
 Luciano Ferrari, 241377
 Giacomo Franco, 241378
 Bernardo Ghigliazza, 241379
 Gloria Ghirarduzzi, 241380
 Mario Grelli, 241381
 Orel Jackson, 241382
 Attilio Malatesta, 241386
 Anthony J. Oneto, 241391

Vincenzo Pasquinelli, 241392
 Antonio Passetti, 241393
 Quinto Passetti, 241394
 Flora Raggio, 241396
 Louie J. Ratto, 241398
 Ernest J. Ronzani, 241400
 Raniero Roselli, 241401
 Angelo Ricchetti, 241402
 Francesco Rissotto, 241403
 Dante Steccone, 241406
 Mario G. Steccone, 241407
 Luis Stella, 241408
 Luis M. Torres, 241409
 Dina T. Vannelli, 241411
 Paul E. Worden, 241413
 Hugo Giovannini, 241414
 Julia Capella, 241415
 Gloria Devincenzi, 241418
 P. J. Capella Exemption Trust, 241420
 Estate of Flavio C. Calcagno, 241421
 Fortunato Conti, 241422
 John M. Frederick, 241423
 Sisto Giuliacci, 241424
 Alvaro Nardi and Rose Nardi, 241426
 Louis Matteucci, 241428

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' Petitions for Rehearing Denied; Franchise Tax Board's Denial of Mary Della Cella's (Case Number 241340) Claim for Refund Reversed	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westley/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

7a. Elizabeth Montes, 224954

7b. Dennis Arthur Speldrick, 225542

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition for Rehearing Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	No
	Ms. Yee	Yes
	Mr. Chiang	Yes

H3 Homeowner and Renter Property Tax Assistance Matters

- Opinion
 - 1. ~~Anna Ellis, 282922~~

There were no items for the following 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**

- Unitary & Nonunitary Land Escaped Assessments
 - 1. Citizens Telecommunications Company of California, Inc. (284) - "CF"
 - Pacific Bell Telephone Company (279) – "CF"
 - Cal-Ore Telephone Company (328) – "CF"
 - Sacramento Valley Limited Partnership (2513) – "CF"
 - GTE Mobilnet of California, Ltd. Partnership (2559) – "CF"
 - WWC License, LLC (2665) – "CF"
 - Nextel of California, Inc. (2737) – "CF"
 - Level 3 Communications, LLC (7761) – "CF"

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Not participating
	Ms. Yee	Yes
	Mr. Chiang	Yes

- Private Railroad Car Tax Refund
 - 2. California Railcar Corporation (5752) – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Not participating
	Ms. Yee	Yes
	Mr. Chiang	Yes

- Board Roll Changes
 - 3. 2003, 2004, and 2005 State-Assessed Property Rolls – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Not participating
	Ms. Yee	Yes
	Mr. Chiang	Yes

I2 Offers-in-Compromise Recommendations Ms. Ograd
 1. Donald Napoli

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

2. Hassan S. Tabrizi

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

3. Peggy Newton

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

CHIEF COUNSEL MATTERS**J. Rulemaking****Alternative Approaches for Taxation of Third-party Consideration Mr. Lambert**

- J1 Discussion of Proposed Language for Alternative Approaches Regarding the Taxation of Third-party Consideration with reference to Sales and Use Tax Regulation 1671, *Trading Stamps and Related Promotional Plans*, and Proposed Regulation 1671.1, *Discounts, Coupons, Rebates and Other Incentives*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Referred the Four Alternative Approaches to the Interested Parties Process.	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

There Are No Items For The Following Matters

- K. Business Taxes
- L. Property Taxes
- M. Other Matters

ADJOURN

Unofficial



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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

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ORAL HEARINGS

- A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARINGS**
There Were No Hearings For This Matter
- B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS**
These Hearings Were Scheduled for Tuesday, March 28, 2006.
- C. SALES AND USE TAX APPEALS HEARINGS**
These Hearings were Scheduled for Tuesday, March 28, 2006.

D. SPECIAL TAXES APPEALS HEARINGS

D1. Idalia Tobar, 234092 (CH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

D2. Khani & Son, Inc., 233941 (GH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Partially Granted/Denied	Mr. Leonard	No
	Mr. Parrish	No
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

D3. Kam Yuen International, Inc., 216737 (BH) - Appearance Waived

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

E. PROPERTY TAX APPEAL HEARINGS

There Were No Hearings For This Matter

F. PUBLIC HEARINGS

These Hearings Were Scheduled For Tuesday, March 28, 2006 at 1:30 p.m.

G. TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT

These Items Were Scheduled For Tuesday, March 28, 2006

H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY

These Items Were Scheduled For Tuesday, March 28, 2006

I. TAX PROGRAM NONAPPEARANCE MATTERS

These Items Were Scheduled For Tuesday, March 28, 2006

CHIEF COUNSEL MATTERS**J. Rulemaking**

Rulemaking was scheduled for Tuesday, March 28, 2006

There are No Items for the following Matters

- K. Business Taxes
- L. Property Taxes
- M. Other Matters

ADMINISTRATIVE SESSION**N. Consent Agenda**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

- N1 Retirement Resolutions
- Linda C. Barber
 - Michael J. Carrari
 - Francis E. Coryell
 - Albert F. Deets
 - Walter A. Franzell
 - Carolyn Geidner
 - Romeo G. Mendoza
 - Alethea Paras
 - Edna Tancioco

N2 Approval of Board Meeting Minutes

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

- September 28, 2005
- January 31 - February 1, 2006

N3 Proposed Revisions to Application for Changed Assessment (Form BOE-305-AH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Yes
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

O. Approval of Board Committee Meeting Minutes

O1 Business Tax Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Minutes as presented. The minutes can be accessed at: http://www.boe.ca.gov/meetings/btc2006.htm	Mr. Leonard	Yes
	Mr. Parrish	Abstain
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

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 Program Update

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Referred to Legislative Committee	Mr. Leonard Mr. Parrish Mr. Westly/Ms. Mandel Ms. Yee Mr. Chiang	

2. Curtain Wall Update

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Action Required	Mr. Leonard Mr. Parrish Mr. Westly/Ms. Mandel Ms. Yee Mr. Chiang	

3. Public Records Act Requests Update

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Action Required	Mr. Leonard Mr. Parrish Mr. Westly/Ms. Mandel Ms. Yee Mr. Chiang	

P2 Interagency Agreements Over \$1 Million Ms. Johnson

1. ~~Department of Motor Vehicles (DMV)~~
~~This contract provides for DMV to collect sales and use taxes relating to vehicles and undocumented vessels and transmit district taxes.~~
2. Department of Toxic Substances Control
 This contract provides for Board of Equalization to administer the Hazardous Substances Tax Program for the Department of Toxic Substances Control.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Determination	Mr. Leonard Mr. Parrish Mr. Westly/Ms. Mandel Ms. Yee Mr. Chiang	

3. Stephen P. Teale Data Center
 This contract provides for multiple data processing services from the Stephen P. Teale Data Center.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard Mr. Parrish Mr. Westly/Ms. Mandel Ms. Yee Mr. Chiang	Yes Yes Yes Yes Yes

ADJOURNED - The meeting reconvened at 1:00 p.m.

BOARD MEETING RECONVENED AT 1:00 p.m.

Press Conference

Unveiling California Tax Service Center Online

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Action Required	Mr. Leonard Mr. Parrish Mr. Westly/Ms. Mandel Ms. Yee Mr. Chiang	

ADJOURNED

Unofficial