



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
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Fourth District, Los Angeles

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State Controller

RAMON J. HIRSIG
Executive Director

STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
February 23-24, 2010
NOTICE AND AGENDA
Meeting Agenda (as of 9:00 a.m., 02/23/10)

Agenda Changes

Tuesday, February 23, 2010

9:30 a.m. Board Meeting Convenes*

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

P. Administrative Matter

P1. Census 2010: California Complete Count..... Ms. Yee

Special presentation by the Governor's Office of Planning and Research to discuss the Census 2010 project, the California Complete Count (CCC) effort to avoid an undercount, particularly in the Counties with highest numbers of hard-to-count (HTC) populations, and ways Board Members can lend their support within their respective districts to encourage full participation by all Californians.

Speakers: Ditas Kitague, Director, Census 2010
Louis Stewart, Deputy Director, Census 2010

A. Homeowner and Renter Property Tax Assistance Hearings
There are no items for this matter.

B. Corporate Franchise and Personal Income Tax Hearings
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

B1. Bruce Culver and Donna Turner Culver, 480448 +
For Appellant: Glenn Smith, Attorney
For Franchise Tax Board: Raul Escatel, Tax Counsel
Terry Collins, Tax Counsel

- B2. *Donald A. Wattson and Christine A. Wattson, 446005 +***
 For Appellant: Donald A. Wattson, Taxpayer
 Christine A. Wattson, Taxpayer
 James T. Burnes, Attorney
 Craig W. Murrel, Representative
 For Franchise Tax Board: Susanne Coakley, Tax Counsel
 Ronald Babcock, Tax Counsel
 Craig Scott, Tax Counsel
- B3. *Robin Lake, 480267 +***
 For Appellant: Robin Lake, Taxpayer
 For Franchise Tax Board: Maria Brosterhous, Tax Counsel
 Terry Collins, Tax Counsel
- B4. *Willard M. Christine, 468893 +***
 For Appellant: Willard M. Christine, Taxpayer
 For Franchise Tax Board: Mark McEvilly, Tax Counsel
 Jozel Brunett, Tax Counsel

C. Sales and Use Tax Appeals Hearings

These items are scheduled for Wednesday, February 24, 2010.

There are no items for the following matters:

- D. Special Taxes Appeals Hearings
- E. Property Tax Appeals Hearings
- F. Public Hearing

G. Tax Program Nonappearance Matters – Consent

(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)

- G1. Legal Appeals MattersMr. Levine
- Hearing Notices Sent – No Response
 - 1a. ~~Chuy's Management Services Fresno, LLC, 341587 (KH)~~
 - 1b. ~~Carpinteria Chuy's, Inc., 341590 (GH)~~
 - 1c. ~~Chuy's Management Services Camarillo, LLC, 341591 (AR)~~
 - 1d. ~~Chuy's Management Services Stevenson Ranch, LLC, 341592 (AR)~~
 - 1e. ~~Chuy's Management Services Bakersfield, LLC, 341593 (AR)~~
 - 1f. ~~Chuy's Management Services Thousand Oaks, LLC, 341594 (AR)~~
 - 1g. ~~Jeanine Gayle Stenoien, 341596 (AR)~~
 - 2. Maria P. Barrera and Gabriel Corona, 434887 (AA)
 - 3. Jerry Pena, 384853, 426907 (EH)
 - 4. Ryan Michael Schuster and Jan Rene Copeland, 350439 (AR)
 - 5. Red Sea Imports, Inc., 359769 (FH)
 - 6. Thamir Mahmud, 432156 (UT)
 - 7. In Boun Kim and Yoon Seo Rim, 430082 (EA)
 - 8. Alderm Na, LLC, 405317 (EA)

9. Joaquin E. Hernandez, 387757 (AA)
 10. Norma June Rulison, 402954 (KH)
 11. Jonathas L. Coelho, 404622 (UT)
 12. Yes Bar, LLC, 362366 (AS)
 13. Valerie Dawn Freedman, 342567 (EA)
- G2. Franchise and Income Tax MattersMs. Kelly
- Decisions
 1. Trace R. L. Armstrong and Tami Fraser Armstrong, 474197
 2. Lou Parcon Benitez and Maria P. Benitez, 434832
 3. James Cook, 445260
 4. George K. Ernestberg, 448285
 5. Darlene M. Hazlewood, 424650
 6. Konstantine Karavakis, 478167
 7. Karl K. Klessig, 328285
 8. Howard A. Olgin, 438146
 9. Michael W. Reeves, 468290
 10. Ronald Reinhold, 432996
 11. Katherine R. Richardson, 439469
 12. Jose O. Rios and Amy D. Rios, 461390
 - Petitions for Rehearing
 13. Rochelle M. Dorfler, 306426
 14. Matt Ward, 431775
 15. Leonard Magness, 441637
 - Hearing Notice Sent – No Response
 16. ~~Debasish Banerjee and Radhika Banerjee, 393736~~
- G3. Homeowner and Renter Property Tax Assistance MattersMs. Kelly
- Hearing Notice Sent – Appearance Waived
 1. Lan Thi Hoang, 492442
- G4. Sales and Use Taxes MattersMs. Henry
- Redeterminations
 1. Optical One, 318331 (GH)
 2. Heard Optical Company, 318337 (EA)
 3. Heard Optical Company, 318338 (EA)
 4. Adventist Media Center, Inc., 239896 (AR)
 5. Bartley Optical Sales, Inc., 318334 (OH)
 6. Opti-Craft, Inc., 318340 (OH)
 7. PDK Optical, Inc., 318336 (AA)
 8. Essilor Labs of America, LP, 318335 (OH)
 9. Essilor Labs of America, Inc., 318333 (OH)
 10. Nora Ross, Inc., 290119 (AP)
 - Denials of Claims for Refund
 11. Baker Petrolite Corporation, 244210 (OH)
 12. Radioshack Corporation, 352039 (OH)
 13. Filtrol Corporation, 244595 (AA)
 14. Criterion Catalyst Company, 244593 (OH)
 15. UOP, Inc. & Katalistiks International, Inc., 244089 (OH)

16. Napa Aviation, LLC, 480154 (UT)
 17. Rhodia, Inc., 244219 (OH)
 18. SBC Services, Inc., 334382 (OH)
 19. Gamestop, Inc., 399588 (OH)
 20. Grounds For Play, Inc., 396775 (OH)
 21. Segura Motors Group, Corp., 422586 (AR)
 22. American Stores Company, LLC, 377870 (OH)
 23. Mill Valley Refuse Service, Inc., 415248 (JH)
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds Ms. Henry
- Credits and Cancellations
 1. J. Crew, Inc., 448168 (OH)
 2. Heart Wood Manufacturing, Inc., 514710 (GH)
 - Refunds
 3. Putzmeister, Inc., 475933 (OH)
 4. Santa Barbara Infrared, Inc., 489115 (GH)
 5. Los Angeles County Fair Association, 514944 (AP)
 6. Fort Bragg Electric, Inc., 473171 (JH)
 7. Affiliated Computer Services, Inc., 483475 (OH)
 8. Mentor Graphics, Corp., 496882 (OH)
 9. Magnolia Hi-Fi, Inc., 485227 (OH)
 10. International Paper Company, 485730 (KH)
 11. Arcadia Financial, LTD, 432797 (OH)
 12. Arcadia Financial, LTD, 491593 (OH)
 13. Reliant Financial Corporation, 491283 (EA)
 14. HMM Supplemental Publishers, Inc., 513211 (OH)
 15. Premier America Credit Union, 489979 (AC)
 16. Cook Medical Incorporated, 477787 (OH)
 17. Heritage Community Credit Union, 491303 (KH)
 18. Global Power Supply, LLC, 490967 (GH)
 19. Trifish Finance, Inc., 489476 (AS)
 20. IPC Systems, Inc., 488622 (OH)
- G6. Special Taxes Matters Mr. Gau
- Redeterminations
 1. Dallas National Insurance Company, 442762 (ET) ‘CF’
 2. Chevron U.S.A., Inc., 444645 (MT)
 3. Chemical Waste Management, 475325 (EF)
 4. Commercial Casualty Insurance Company, 442757 (ET) ‘CF’
 - Relief of Penalty
 5. Equilon Enterprises, LLC, 467049 (MT) ‘CF’
 6. Allianz Global Risk US Insurance Company, 511401 (ET) ‘CF’
- G7. Special Taxes Matters – Credits, Cancellations, and Refunds Mr. Gau
- Credit and Cancellation
 1. JDC Specialty Insurance Brokers, Inc., 515983 (ET) ‘CF’

- Refunds
 - 2. Heineken USA, Incorporated, 492553 (ET) 'CF'
 - 3. Northwestern Mutual Life Insurance Company, 506219 (ET) 'CF'
 - 4. Northwestern Mutual Life Insurance Company, 506221 (ET) 'CF'
 - 5. Wal-Mart Stores, Incorporated, 463849 (ER)
 - 6. Tulare Firestone, Inc., 511050 (ER)

There are no items for the following matters:

- G8. Property Tax Matters
- G9. Cigarette License Fee Matters
- G10. Legal Appeals Property Tax Matters

There are no items for the following matters:

- H. Tax Program Nonappearance Matters – Adjudicatory
- I. Tax Program Nonappearance Matters

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

There are no items for these matters:

- N. Consent Agenda
- O. Adoption of Board Committee Reports and Approval of Committee Actions

Announcement of Closed Session Ms. Olson

Q. Closed Session

- Q1. Discussion and action on personnel matters (Gov. Code § 11126(a))

Announcement of Open Session..... Ms. Olson

1:30 p.m. Board Meeting Reconvenes*

B. Corporate Franchise and Personal Income Tax Hearings
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

- B5. Jon Bryant Artz and Wendi A. Artz, 464509 +*
 - For Appellant: Jon Bryant Artz, Taxpayer
Wendi A. Artz, Taxpayer
Terry Adamson, Witness
Jack Pritchett, Witness
Mel Profit, Witness
 - For Franchise Tax Board: Mark McEvilly, Tax Counsel
Craig Scott, Tax Counsel

~~B6. John Harold Kraft, 446023 +~~

For Appellant: John Harold Kraft, Taxpayer
For Franchise Tax Board: Maria Brosterhous, Tax Counsel
Terry Collins, Tax Counsel

B7. Carol A. Strike-Palumbo and Frank N. Palumbo, 479933 +

For Appellant: Terry A. Gottlieb, Representative
Leticia A. Ildefonso, Representative
For Franchise Tax Board: Karen Smith, Tax Counsel
Jozel Brunett, Tax Counsel

~~B8. Sandy Rowe and Sylvia Rowe, 467791 +~~

For Appellant: Sandy Rowe, Taxpayer
For Franchise Tax Board: Terry Collins, Tax Counsel
Jozel Brunett, Tax Counsel

Adjourn - The meeting will reconvene on Wednesday, February 24, 2010, at 9:30 a.m.

If you wish to listen to and/or view a live broadcast of the Board meeting, please go to www.boe.ca.gov and click on Webcast.

If you wish to receive this Notice and Agenda electronically, you can subscribe at www.boe.ca.gov/agenda.

If you would like specific information regarding items on this Notice and Agenda, please telephone (916) 322-2270 or e-mail: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

The hearing location is accessible to people with disabilities. Please contact Joann Richmond at (916) 322-1931, or e-mail Joann.Richmond@boe.ca.gov if you require special assistance.

Diane G. Olson, Chief
Board Proceedings Division

- * 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.
- + Material is available for this Item.
- "CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.



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B9. Sherry Donnelly, 474206 +

For Appellant: Ian S. Kroop, Representative
For Franchise Tax Board: Karen Smith, Tax Counsel
Jozel Brunett, Tax Counsel

B10. Ysidro Martinez, 479960 +

For Appellant: Ysidro Martinez, Taxpayer
Rachael Callahan, Representative
For Franchise Tax Board: Craig Scott, Tax Counsel
Jozel Brunett, Tax Counsel

B11. Robert M. Miller, 449286 +

For Appellant: Robert M. Miller, Taxpayer
For Franchise Tax Board: Mark McEvilly, Tax Counsel
Craig Scott, Tax Counsel

B12. Ian James Johnston, 481263 +

For Appellant: Ian James Johnston, Taxpayer
Doug Barnett, Witness
Marla Bernstein, Witness
For Franchise Tax Board: Karen Smith, Tax Counsel
Craig Scott, Tax Counsel

C. Sales and Use Tax Appeals Hearings

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

C1a. Elizabeth Wardley Kwong, 316054 (AP) +

C1b. Raymond Wah Kwong, 316055 (AP) +

For Petitioner: Liz Wardley Kwong, Taxpayer

Ray Wah Kwong, Taxpayer

For Department: Andrew Kwee, Tax Counsel

C2. Medical Equipment Discount Center, 400764 (EH) +

For Petitioner: Mohtasham Shalika, Representative

For Department: Cary Huxsoll, Tax Counsel

C3. L & S Restaurant, Inc., 425516 (AA) +

For Petitioner: Michael S. Sy, Representative

For Department: Scott Lambert, Hearing Representative

1:30 p.m. Board Meeting Reconvenes***C. Sales and Use Tax Appeals Hearings**

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

C4. Team Dennis Conner Corporation, 353247 (UT) +

For Petitioner: Cris J. Wenthur, Attorney

Dennis Conner, Representative

For Department: Chris Schutz, Tax Counsel

C5. Young Life, 270405 (KH) +

For Petitioner: Terry L. Polley, Attorney

Paul Sherrill, Representative

Catherine Barankin, Witness

For Department: Cary Huxsoll, Tax Counsel

C6. Betty Jo Robart, 383878 (AC) +

For Petitioner: Cruz Saavedra, Attorney

For Department: Andrew Kwee, Tax Counsel

Adjourn

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