



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080
(916) 322-2270 • FAX (916) 324-3984
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco
SEN. GEORGE RUNNER (RET.)
Second District, Lancaster
MICHELLE STEEL
Third District, Orange County
JEROME E. HORTON
Fourth District, Los Angeles
JOHN CHIANG
State Controller
CYNTHIA BRIDGES
Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
March 12-13, 2013
NOTICE AND AGENDA
Meeting Agenda (as of 3/12/2013, 11:30 AM)

Agenda Changes

Webcast on Tuesday, March 12, 2013

Tuesday, March 12, 2013

10:00 a.m. Board Committee Meetings Convene*

Board Meeting convenes upon Adjournment of the Board Committee Meetings**

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.

Board Committee Meetings*

Legislative CommitteeMr. Horton, Committee Chairman

I. 2013 Legislative Proposals

Set forth below are suggestions for property taxes and business taxes legislation to be sponsored by the BOE in the first year of the 2013-14 Legislative Session.

2013 Legislative Proposal: Property Taxes

1-1 Amend Government Code Sections 15640, 15642, and 15643, related to the Assessment Practices Survey Program, to allow the BOE to evaluate more thoroughly the state's largest counties.

2013 Legislative Proposals: Business Taxes: Sales and Use Taxes

3-3 Add Revenue and Taxation Code Section 6369.6 to the Sales and Use Tax Law to provide a sales and use tax exemption for medical marijuana purchased for hospice patients.

3-4 Add Section 6358.3 to, and repeal Section 6018.1 of, the Revenue and Taxation Code to provide that the use, furnishing or sale of drugs and medicines, as defined, by a licensed veterinarian, a city, city and county, county, or other local government animal shelter, or a nonprofit animal welfare organization are exempt from tax, when used, furnished or sold for the treatment of animals.

II. 2013 Legislative Bills

Recommendation for Board Position

SB 385—Successor’s Liability: Notification. (Block)

Business Taxes Committee..... Ms. Yee, Committee Chairwoman

- 1. Proposed Regulation 1566.1, *Auto Auctions and Auto Dismantlers*
Request approval and authorization to publish proposed Regulation 1566.1, *Auto Auctions and Auto Dismantlers*, regarding the presumption that any sale of a vehicle, mobilehome, commercial coach, and salvage certificate vehicle by a person at auction or by a dismantler is a retail sale.

Property Tax CommitteeMr. Runner, Committee Chairman

- 1. ~~Discussion and authorization to initiate the rulemaking process for Property Tax Rule 308.6, *Application for Equalization by Member, Alternate Member, or Hearing Officer.*~~
- 2. Discussion and authorization to initiate the rulemaking process for Property Tax Rule 462.040, *Change in Ownership—Joint Tenancy.*

Board Meeting**

- A. Homeowner and Renter Property Tax Assistance Appeals Hearings
There are no items for this matter.
- B. **Corporate Franchise and Personal Income Tax Appeals Hearing**
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)
 - B1. ~~Doris Hsieh, 586283 +~~
For Appellant: ~~_____ Maria Kim, Representative~~
For Franchise Tax Board: ~~_____ Daniel Biedler, Tax Counsel~~
~~_____ Roman Johnson, Tax Counsel~~
- C. **Sales and Use Tax Appeals Hearings**
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)
 - C1. **La Torta Gorda, Inc., 572008 (BH) +**
For Petitioner: Armando Macuil, Taxpayer
Mario West, Representative
For Department: Marc Alviso, Hearing Representative
 - C2. ~~Andy's BP, Inc., 546362 (BH) +~~
For Petitioner: ~~_____ Thomas I. Saberi, Representative~~
For Department: ~~_____ Scott Lambert, Hearing Representative~~
 - C3. ~~Rogelio Ortiz, 489267 (KH)~~
For Petitioner: ~~_____ Joseph H. Marman, Attorney~~
For Department: ~~_____ Monica Silva, Tax Counsel~~

C4. Nabil Abdo M. Abdulla and Taheri M. Aldafari, 569351 (CH) +

For Petitioners: Jeff Brown, Representative
David B. Porter, Attorney

For Department: Pamela Mash, Tax Counsel

There are no items for the following matters:

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

G. Tax Program Nonappearance Matters – Consent

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

- G1. Legal Appeals Matters Mr. Angeja
- Hearing Notices Sent – No Response
 1. Ahmed Mohammed Obaid, 559970 (CH)
 2. Steve’s Place, Inc., 560567 (KH)
 3. Suhail Aref Abdelhalim, 478994 (BH)
 4. Victor K. Husary, 558936 (CH)
- G2. Franchise and Income Tax Matters Mr. Epolite
- Hearing Notices Sent – No Response
 1. Erik L. Hayes, 606496
 2. Peter T. Horwood, 601450
 3. Richard Kuhle and Shelley Kuhle, 439454
 4. John Markovich, 606129
 5. Robert S. Marmor and Carol A. Marmor, 608840
 6. Steven Olmos, 600499
 - Decisions
 7. Arthur C. Gustafson, 571611
 8. Gongjian Hu, 593556
 9. Anthony D. Huerta and Carmen Huerta, 573108
 10. Richard M. Kerbel, 560503
 11. Jimmy L. Miller, 550085
 12. Yvette Lang, 560276
- G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.
- G4. Sales and Use Taxes Matters.....Mr. McGuire
- Redeterminations
 1. Garfield Beach CVS, LLC, 589637 (OH)
 2. Robert D. Tassone, 547499 (OH)
 - Relief of Penalty/Interest
 3. The Vons Companies, Inc., 692601 (OH)
 - Denials of Claims for Refund
 4. Mitsubishi Power Systems Americas, Inc., 594638 (OH)
 5. HSBC Card Services, Inc., 574503 (OH)

- G5. Sales and Use Taxes Matters – Credits, Cancellations, and RefundsMr. McGuire
- Credits and Cancellations
 1. Recomm Wireless, Inc., 692569 (AC)
 2. Trinity Oil Company, 691651 (FH)
 3. Trinity Oil Company, 691653 (FH)
 - Refunds
 4. Hermes-Beverly Hills, 675584 (OH)
 5. Eclipse Advertising, Inc., 495267 (AC)
 6. BP Products North America, Inc., 572762 (OH)
 7. ABC, Inc., 683881 (OH)
 8. Painters Unlimited CA, Inc., 602553 (OH)
 9. HSBC Card Services, Inc., 574503 (OH)
 10. General Electric International, Inc., 546753 (OH)
 11. BP West Coast Products, LLC, 572758 (OH)

There are no items for the following matters:

- G6. Special Taxes Matters
 G7. Special Taxes Matters – Credits, Cancellations, and Refunds
 G8. Property Tax Matters
 G9. Cigarette License Fee Matters
 G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory

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

- H1. Legal Appeals Matters Mr. Angeja
- Hearing Notices Sent – No Response
 - 1a. Annand Nadir Sliuman, 475771 (FH) +
 - 1b. Saad Dawood Pattah, 479619 (FH) +
 - Case Heard Not Decided
 2. Union Outlet, Inc., 547465 (AS) +
 - Petition for Rehearing
 3. Gateway Auto Center, Inc., 437262 (AS) +
- H2. Franchise and Income Tax Matters Mr. Epolite
- Decision
 1. Pharmagenesis, Inc., 550168
- H3. Homeowner and Renter Property Tax Assistance Matters
 There are no items for this matter.
- H4. Sales and Use Taxes MattersMr. McGuire
- Denial of Claim for Refund
 1. HSBC Card Services, Inc., 504741 (OH)
- H5. Sales and Use Taxes Matters – Credits, Cancellations, and RefundsMr. McGuire
- Refund
 1. HSBC Card Services, Inc., 504741 (OH)

There are no items for the following matters:

- 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

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

- I1. Property Taxes Matters..... Mr. Gau
 - Audits
 - 1. Trans Bay Cable, LLC (119) ‘CF’
 - 2. Southwest Transmission Cooperative, Inc. (193) ‘CF’
 - 3. NTT America, Inc. (7732) ‘CF’
 - 4. NextG Networks of California, Inc. (7982) ‘CF’
 - 5. Sonic Telecom, LLC (8081) ‘CF’
 - Unitary Land Escaped Assessments
 - 6. Los Angeles SMSA Ltd. (2532) ‘CF’
 - 7. T-Mobile West Corporation (2748) ‘CF’
- I2. Offer in Compromise Recommendations Mr. Anderson
 - 1. Phu Dinh Do
 - 2. Soi Sang Yong
- I3. Local Tax Reallocation Matters
There are no items for this matter.

Chief Counsel Matters

- J. Rulemaking
This item is scheduled for Wednesday, March 13, 2013.

There are no items for the following matters:

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

Administrative Session

The following items are scheduled for Wednesday, March 13, 2013.

- N. Consent Agenda
- O. Adoption of Board Committee Reports and Approval of Committee Actions
- P. Other Administrative Matters

Announcement of Closed Session Ms. Richmond

Q. Closed Session

- Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code, §§ 6901, 7093.5, 30459.1, 50156.11).
- Q2. Pending litigation: *Cocopah Nurseries of Arizona, Inc., et al., v. State Board of Equalization*, U.S. Bankruptcy Court, District of Arizona, Case No. 0:12-bk-15292-EWH (Gov. Code, § 11126(e)).
- Q3. Discussion and action on personnel matters (Gov. Code, § 11126(a)).

Announcement of Open Session..... Ms. Richmond

Recess - The meeting will reconvene on Wednesday, March 13, 2013, at 9:30 a.m.

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Joann Richmond, 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.
- + Material is available for this item.
- ++ Material will be available at a later date.
- 'CF' Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.



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Special Presentations

- 2011/2012 Employee Recognition Award Program..... Ms. Herrera
The Board will announce and congratulate recipients of the Employee Recognition Awards.
Report from Chris Hill, Principal Program Budget Analyst, Department of Finance (DOF)..... Mr. Ferris
Presentation on DOF's process to recover certain redevelopment funds from local agencies and the BOE's related ministerial duties.

C. Sales and Use Tax Appeals Hearings

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

- C5. Sweetwater Restaurants, LLC, 491317 (DF)
For Petitioner: Bobby Lee, Taxpayer
For Department: Scott Lambert, Hearing Representative
C6. Mohamed M. Alhaj, 519427 (BH) +
For Petitioner: Mohamed M. Alhaj, Taxpayer
Christopher Ogbodo, Representative
Remigius Chibueze, Attorney
For Department: Scott Lambert, Hearing Representative
C7. Ultimodule, Inc., 473612 (GH) +
For Petitioner: Waived Appearance
For Department: Kevin Smith, Tax Counsel

- ~~C8. Amar Abdo Alamary, 513144 (DF)
For Petitioner: Amar Abdo Alamary, Taxpayer
Brenda Linder, Representative
For Department: Scott Lambert, Hearing Representative~~
- C9. [Mobile Telesys, Inc., 486216 \(FH\) +](#)
For Petitioner: Waived Appearance
For Department: Erin Dendorfer, Tax Counsel
- ~~C10. Zap, 496989 (JH) +
For Petitioner: Nicholas L. Stumeroff, Representative
For Department: Scott Claremon, Tax Counsel~~
- C11. [The Unlimited Store, Inc., 522301 \(KH\) +](#)
For Petitioner: Waived Appearance
For Department: Marc Alviso, Hearing Representative

Chief Counsel Matters

Items that appear under these matters provide information to the Members and may require Board action or direction.

J. Rulemaking

Section 100 Changes

- J1. [Regulations 1532, Teleproduction or Other Postproduction Service Equipment; 1533.1, Farm Equipment and Machinery; 1533.2, Diesel Fuel Used in Farming Activities or Food Processing; 1534, Timber Harvesting Equipment and Machinery; 1535, Racehorse Breeding Stock; and, 1598, Motor Vehicle and Aircraft Fuels +....](#) Mr. Heller
- Staff requests authorization to make Rule 100 changes to amend the specified regulations to incorporate the temporary tax rate increase from the passage of Proposition 30 and to incorporate changes from expired statutory provisions.

Administrative Session

Items that appear under these matters provide information to the Members and may require Board action or direction.

N. Consent Agenda Ms. Richmond (Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

- N1. [Retirement Resolutions +](#)
- Cindi J. Bonilla-Ernst
 - Kathye L. Jimenez
 - Ronald Lee
 - Phil Shipley (Amendment)
- N2. Approval of Board Meeting Minutes
- [August 21-22, 2012 +](#)
- N3. [2013 Timber Advisory Committee Membership +](#)
Approval of the 2013 Timber Advisory Committee appointments.

O. Adoption of Board Committee Reports and Approval of Committee Actions

- O1. Legislative Committee – February 26, 2013
- O2. Legislative Committee – March 12, 2013
- O3. Business Taxes Committee – March 12, 2013
- O4. Property Tax Committee – March 12, 2013

P. Other Administrative Matters

- P1. Executive Director's Report Ms. Bridges
 - 1. CROS Project Update and ActionsMr. Steen
Progress on the CROS project to replace BOE's two current tax legacy technology systems.

There are no items for the following matters:

- P2. Chief Counsel Report
- P3. Sales and Use Tax Deputy Director's Report
- P4. Property and Special Taxes Deputy Director's Report..... Mr. Gau
 - 1. [Fire Prevention Fee Program Update +](#)
 - 2. [Federation of Tax Administrators \(FTA\) Tobacco Section Resolution +](#)
Request for Board support of FTA Tobacco Section Resolution to expand the Prevent All Cigarette Trafficking Act to include cigars and pipe tobacco.

There are no items for the following matters:

- P5. Administration Deputy Director's Report
- P6. Technology Deputy Director's Report
- P7. External Affairs Deputy Director's Report

Adjourn

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