



STATE BOARD OF EQUALIZATION
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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
April 18, 2006
NOTICE AND AGENDA**

Tuesday, April 18, 2006

**Board Meeting Convenes at 9:30 a.m.*
Board Committee Meeting Convenes after Special Presentations**
Board Meeting Reconvenes upon Adjournment of the Board Committee Meetings***

Agenda items occur sequentially. When circumstances warrant, the Board's Chair, Mr. Chiang, may modify the order of the items on the agenda.

BOARD MEETING

SPECIAL PRESENTATIONS

Superior Accomplishment Award Program

BOARD COMMITTEE MEETINGS

LEGISLATIVE COMMITTEE Ms. Yee, Committee Chair

Business Taxes - New Business

1. Streamlined Sales Tax Project (SSTP)
 - Designating a Board of Equalization Member to meet with California SSTP Board of Governance appointing authorities.
 - Determining level of California's continuing participation in SSTP.
 - Status update – May 17, 2006, Board Legislative Committee meeting.

BUSINESS TAXES COMMITTEE..... Mr. Chiang, Committee Chair

1. Proposed amendments to Sales and Use Tax Regulation 1602, *Food Products*, regarding the application of tax to sales of combination packages of food and nonfood products.

BOARD MEETING**ORAL HEARINGS****A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARINGS**

There are no hearings for this matter.

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS

There are no hearings for this matter.

C. SALES AND USE TAX APPEALS HEARINGS

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

C1. Tensor Group, Inc., 281211 (OHA)

For Petitioner: Raymond W. Godbout, Accountant

For Department: Kevin Hanks, Hearing Representative

C2. Karim Sarraf, 266956 (BH)

For Petitioner: Karim Sarraf, Taxpayer

For Department: Kevin Hanks, Hearing Representative

C3. American Reprographics Company, LLC., 254516 (AP)

For Petitioner: Glenn Bystrom, CPA

Mark Legg, Taxpayer

For Department: Randy Ferris, Tax Counsel

C4. Kenneth H. Lawson, 132581 (EA)

For Petitioner: Kenneth Lawson, Taxpayer

For Department: Carla Caruso, Tax Counsel

D. SPECIAL TAXES APPEALS HEARINGS

There are no hearings for this matter.

E. PROPERTY TAX APPEALS HEARINGS

There are no hearings for this matter.

F. PUBLIC HEARING**F1 Property Taxes – State Assessee Presentations on the Valuation of State-Assessed Properties Mr. Siu**

The Board will hear:

1. State assesses' presentations on the valuation of state-assessed properties.

Speakers:

- Peter W. Michaels, Cooper, White & Cooper
State Assessed Gas/Electric, Intercounty Pipeline, Telephone and Railroad Companies
- Fred E. Vance, Fred Vance & Associates, LLC
- James R. Asay, Sempra Energy
- Samuel E. Steele, Calpine Corporation
Delta Energy Center, Gilroy Energy Center; Pastoria Energy Center; Calpine Construction Finance Company; Metcalf Energy Center; Los Esteros Critical Energy Center
- Wade Norwood, AES Huntington Beach

F2 Proposed Amendments to Sales and Use Tax Regulation 1591, Medicines and Medical Devices Mr. Lambert

The proposed amendments would provide that, subject to certain qualifications, the term "medicines" includes any product approved by the U.S. Food and Drug Administration to diagnose, cure, mitigate, treat or prevent any disease, illness or medical condition.

G. TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT

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

G1 Legal Appeals Matters Mr. Levine

- Petitions for Rehearing
 1. Western Materials, LLC, 245621 (AR)
 2. Qusro Masood Mohammad, 252953, 252955 (EA)
- Petitions for Release of Seized Property
 3. Fouad Mohammed Zamzami, 336700 (CH)
 4. Jaswinder Singh and Jatinderpal Dhillon, 336708 (KH)

G2 Franchise and Income Tax Matters Mr. Schreiter

- Decisions
 - ~~1. Andrew Abelman, 264122~~
 2. Mark R. Christian, 314958
 3. Jose Coto, 315944
 4. John Gaydos and Angela Gaydos, 314979
 5. Keith R. Martindale, 328134
 6. Scott Reidenbaugh, 252161

7. James C. Ross and Anne J. Lumsdaine, 311707
8. Yolanda Villablackwell, 314304
9. Charles West, 316395
- Petitions for Rehearing
10. Christina Hanzel, 281922
11. Elizabeth R. Magness, 268509
12. Byron Reynolds, 267548
13. Noel W. Spaid, 282897

G3 Homeowner and Renter Property Tax Assistance Matters..... Mr. Schreiter

- Decisions
 1. Judi Jordan, 309692
 2. Hoi Vu, 307046

G4 Sales and Use Taxes Matters Ms. Henry

- Redeterminations
 1. Alaris, Inc., 239827 (CH)
 2. Matrix Computer Funding Corporation, 298889 (OH)
 3. The Walden Asset Group, Inc., 306956 (OH)
 4. Ronald Charles Savona, 290757 (FH)
 5. Ronald Charles Savona, 296710 (FH)
 6. Jorge Luis Gonzalez, 288001 (CH)
 7. Teradyne, Inc., 241879 (OHB)
 - ~~8. MCY III Corporation, 218314 (AC)~~
- Denials of Claims for Refund
 9. Prudential Insurance Company of America, 341565 (OHB)
 10. Novell, Inc., 309240 (OH)

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

- Credits and Cancellations
 1. Cypress Semiconductor Corporation, 342364 (GH)
 2. Nielsen Dillingham Builders, Inc., 341781 (FH)
- Refunds
 3. Prestige Stations, Inc., 286359 (OHC)
 4. Nissan Motor Acceptance Corporation, 203010 (AS)
 5. 30 Sixty Design, Inc., 244198 (AS)
 6. Nationwide Sec & Building Services, Inc., 223491 (AA)
 7. Mazda Motor of America, Inc., 331219 (EAA)
 8. The Designory, Inc., 309202 (EAB)
 9. Tegtmeier Associates, Inc., 313783 (GHC)
 10. Hanson Aggregates Mid-Pacific, 340645 (CH)
 11. Hanson Permanente Cement, Inc., 341508 (CH)
 12. Rancho Ready Mix, 317032 (EH)
 13. Helser Chev-Olds-Cad, Inc., 334829 (KHM)
 14. Gelco Corporation, 313669 (OHA)
 15. Payless Shoe Source, Inc., 340689 (OHA)
 16. Mercedes-Benz USA, LLC., 331469 (KH)

- 17. Hirsch International Corporation, 262541 (OHB)
- 18. Verizon Select Services, Inc., 340504 (OHB)
- 19. Softek Storage Solutions Corporation, 312939 (GH)
- 20. Medtronic Avenue, Inc., 330161 (JH)
- 21. Hunting Energy Services, LP, 220280 (OHC)
- 22. Briggs of Burton, Inc., 332059 (OHB)

G6 Special Taxes Matters

There are no items for this matter.

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

- Refund
 - 1. Atlantic Richfield Company, 158211 (OHC)

There are no items for the following matters:

- G8 Property Tax Matters
- G9 Cigarette License Fee Matters

G10 Legal Appeals Property Tax Matters Mr. Lambert

- Petition for Penalty Abatement on Unitary Escaped Assessment
 - 1. Korea Telecom America, Inc. (7781), 305275 – “CF”

H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY
(Contribution Disclosure forms required pursuant to Govt. Code § 15626.)

H1 Legal Appeals Matters Mr. Levine

- Petitions for Rehearing
 - 1. Smiland Paint Company, 89000960020, -30, -40, -50, -60, -70 (AC)
- Hearing Notices Sent – No Response
 - 2. James A. Hanson Attorney PC, Inc., 267073 (ARH)
 - 3. Advanced Acoustical Concepts, Inc., 206050 (OHA)
 - 4. Embroidertex West, Ltd., 237064 (AS)
- Cases Heard but not Decided
 - 5. Cosmos Medical Technology, Inc., 198974 (FHB)
 - 6. Kretek International, Inc., 253847 (ET)
- Matters for Board Consideration
 - 7. D & G Marine, Inc., 82414, 90009, 207531 (EAB)
 - Doug Bombard Enterprises, Inc., 240445 (EAB)

H2 Franchise and Income Tax Matters Mr. Schreiter

- Matter for Board Consideration
 - 1. Nancy Schultz, 288572

H3 Homeowner and Renter Property Tax Assistance Matters..... Mr. Schreiter

- Decision
 - 1. Romanse Banks, 299984

H4 Sales and Use Taxes Matters Ms. Henry

- Relief of Penalty/Interest
 1. Janie Anne Lazarof, 345472

H5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds..... Ms. Henry

- Credit and Cancellation
 1. Bruker Daltonics, Inc., 340975 (OHB)
- Refund
 2. WFS Financial, Inc., 186987 (EAA)

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 Govt. Code § 15626.)

I1 Property Taxes Matters..... Mr. Gau

- Audit
 1. NobelTel, LLC (7992) – “CF”

I2 Offers-in-Compromise Recommendations

There are no items for this matter.

CHIEF COUNSEL MATTERS**J. Rulemaking****Proposed Amendments to State Board of Equalization Rules of Practice.....Ms. Cazadd**

- J1 Request approval of *Board of Equalization Rules for California Tax Administration and Appellate Review* (New Rules), Chapter 1, *Title*, and Chapter 2, *Sales and Use Tax, Timber Yield Tax, and Special Taxes and Fees*; and Status Report on Chapter 3, Chapter 4 and Chapter 5.

K. Business Taxes

There are no items for this matter

L. Property and Special Taxes

Proposed Revisions for Release or Recovery of Seized Cigarette and Tobacco ProductsMs. Cazadd

L1 Request approval for revisions on form BOE-1238-AID.

M. Other Matters

There are no items for this matter

ADMINISTRATIVE SESSION**N. Consent Agenda Mr. Evans****N1 Approval of Board Employee Retirement Resolutions**

- Janis Arredondo
- Thomas R. Childress
- Karen Howard
- Richard K. Kozman
- Rosario M. Maquindang
- Claire N. Mortenson
- Janice Ochs
- Karin G. Olson
- Cheryl Ann Todd

O. Approval of Board Committee Meeting Minutes

- O1 Legislative Committee
O2 Business 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. California State Employees' Food Drive Award
2. Introduction of Attorneys Recently Promoted to Tax Counsel IV

ANNOUNCEMENT OF CLOSED SESSION Mr. Evans**Q. Closed Session**

- Q1 Pending litigation: *Roma v. State Board of Equalization*, Sacramento Superior Court Case No. AS 03883 (Govt. Code § 11126(e))
Q2 Discussion and action on personnel matters (Govt. Code § 11126(a))

ANNOUNCEMENT OF OPEN SESSION Mr. Evans**ADJOURN**

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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 wheelchair accessible. If you require assistance, please contact Cathy Stroh at (916) 324-2599, or e-mail Cathy.Stroh@boe.ca.gov to make special arrangements

Gary Evans, Acting 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.
- ** Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.
- "CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.