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 Asseseees Presentations on the Valuation of State-Assessed Properties ............................................................. Mr. Siu

The Board will hear:

1. State assessee's 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)
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

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

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

Petitions for Rehearing
2. James A. Hanson Attorney PC, Inc., 267073 (ARH)
4. Embroidertex West, Ltd., 237064 (AS)
Cases Heard but not Decided
5. Cosmos Medical Technology, Inc., 198974 (FHB)

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

Matter for Board Consideration
1. Nancy Schultz, 288572

H3 Homeowner and Renter Property Tax Assistance Matters

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 Products .................................................................Ms. 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.