



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
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Third District, Rolling Hills Estates

JUDY CHU, Ph.D.
Fourth District, Los Angeles

JOHN CHIANG
State Controller

RAMON J. HIRSIG
Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
May 27 - 28, 2009
NOTICE AND AGENDA
Meeting Agenda (as of 5:00 p.m., 05/27/09)

Agenda Changes

Wednesday, May 27, 2009

9:30 a.m. Board Committee Meeting Convenes*
Board Meeting Convenes upon Adjournment of the Board Committee Meeting**

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 Meeting*

Legislative Committee..... Dr. Chu, Committee Chair

2009 Legislative Proposals

I. Administration

Set forth below are suggestions for administrative legislation to be sponsored by the Board in the first year of the 2009-2010 Legislative Session.

5-3 Add section 14673.11 to the Government Code to sell, exchange, lease, or any combination thereof the current headquarters building of the State Board of Equalization.

5-4 Add Chapter 11 (commencing with section 30491) to Part 13 of Division 2 of section 30491 to the Revenue and Taxation Code to limit litigation costs, including attorneys' fees, under the Cigarette and Tobacco Products Tax Law in the same manner that litigation costs are limited under the Sales and Use Tax Law. This same provision would be added to the property tax law, the Franchise and Income Tax Law, and all of the Board-administered special tax and fee programs. In addition, section 7156 of the Sales and Use Tax Law would be moved to its own chapter.

II. Recommendation for Board Position:

- 1. AB 15 Property Tax: Disaster Relief: Los Angeles and Ventura,

- Author: Fuentes
- 2. [AB 50](#) Property Tax: Disaster Relief: Santa Barbara, Author: Nava
- 3. [AB 79](#) Property Tax: Disaster Relief: Orange, Riverside and San Bernardino, Author: Duvall
- 4. [AB 157](#) Property Tax: Base Year Value Transfer: Disaster, Author: Anderson
- 5. [AB 311](#) Property Tax: Certificated Aircraft Assessment, Author: Ma
- 6. [AB 852](#) Property Tax: Statements: Electronic Filing, Author: Fong

Board Meeting**

Board Member Annual Photograph

State Assessed Properties Value Setting

[Property Tax Matter+ - 'CF'](#) Mr. Thompson

Board sets unitary values of state-assessed properties annually, on or before May 31. The Board is required to value and assess all the taxable property within the state that is to be assessed by it, pursuant to section 19 of Article XIII of the Constitution and any legislative authorization there under.

Special Presentation Ms. Yee

- Presentation of Retirement Resolution
Robert Stipe

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

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

~~B1. URS Corporation, 389145~~
 For Appellant: Hal Kessler, Representative
 Bruce Kessler, Representative
 Tom Foote, Representative
 For Franchise Tax Board: Ann Hodges, Tax Counsel

C. Sales and Use Tax Appeals Hearings
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

C1. [Ultradent Products, Inc., 215829 \(OH\)](#)
 For Petitioner: Micha Barach, Attorney
 For Department: Cary Huxsoll, Tax Counsel

- C2. [Shirley Everett-Dicko and Donald Ray White, 342570 \(CH\)](#)
 For Petitioner: Deborah Bell, CPA
 For Department: Scott Lambert, Hearing Representative
- C3. [Ahmed Bahman Lari, 406718 \(AR\)](#)
 For Petitioner: Douglas Smith, Representative
 For Department: Cary Huxsoll, Tax Counsel

D. Special Taxes Appeals Hearing

This item is scheduled for the afternoon session.

- E. Property Tax Appeals Hearings
 There are no items for this matter.

F. Public Hearing

- F1. [Sales and Use Tax Regulation 1668, Sales for Resale](#)+ Mr. Tucker
 Proposed amendments to clarify the use of qualified resale certificates.

G. Tax Program Nonappearance Matters – Consent

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

- G1. Legal Appeals MattersMr. Levine
 ➤ Petitions for Release of Seized Property
 1. Kanhaiya Naidu and Gangamma Kanhaiya Naidu, 474048 (ET)
 2. Chhunra Kroeu, 479755 (ET)
 3. Agoura Liquor & Wine Cellar, Inc., 482981 (ET)
 4. Oaks Liquor, Inc., 479765 (ET)
- G2. Franchise and Income Tax MattersMs. Kelly
 ➤ Decisions
 1. Vera S. Hall, 439811
 2. Inja Han, 424373
- G3. Homeowner and Renter Property Tax Assistance MattersMs. Kelly
 ➤ Decisions
 1. B. K. Anderson, 436139
 2. Carolyn Basey, 437703
 3. Hoi Sun Bui, 426199
 4. Rebecca B. Cabrera, 424186
 5. Mavis Craig, 437566
 6. Bill Dixon, 436037
 7. Gregory V. George, 437560
 8. Panah Havil, 423602
 9. Cathy Ho, 437590
 10. Amber Leslie, 424207

11. Carmen J. Lotito III, 426558
 12. Michele R. Mitchell, 426525
 13. Jessica Selby, 378356
 14. Tyrone Stough, 425547
 - Petition for Rehearing
 15. Steven G. Lee, 387881
 - Hearing Notice Sent – Appearance Waived
 16. Reginald Patrick, 426678
- G4. Sales and Use Taxes Matters..... Ms. Henry
- Redeterminations
 1. NEC Business Network Solutions, Inc., 422975 (OH)
 2. Computer Giants.Com, Inc., 420934 (OH)
 - Denials of Claims for Refund
 3. Verizon Media Ventures, Inc., 333126 (OH)
 4. CIT Funding Company, LLC, 401687 (OH)
 5. Siemens Carrier Networks, LLC, 233377 (OH)
 6. STMicroelectronics (RB), Inc., 482385 (OH)
 7. Excellence in Motivation, Inc., 383894 (OH)
 8. Capital One Auto Finance, Inc., 470352 (OH)
 9. Laboratory Corporation of America, 381277 (OH)
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds Ms. Henry
- Credits and Cancellations
 1. Wet Enterprises, Inc., 482264 (AC)
 2. Divine Aviation, LLC, 480993 (UT)
 3. Great Circle Family Foods, LLC, 480427 (AS)
 4. NKS Enterprises, Inc., 479318 (FH)
 5. Kemira Water Solutions, Inc., 482331 (OH)
 - Refunds
 6. Graphic Color Systems, Inc., 351404 (AA)
 7. Fireside Bank, 448946 (CH)
 8. Guthy-Renker Corporation, 406639 (EA)
 9. Siliconix Incorporated, 395247 (GH)
 10. KLA-Tencor Corporation, 288546 (GH)
 11. Advanced Polymer Systems, Inc., 468195 (BH)
 12. Ford Construction Company, Inc., 399728 (KH)
 13. Northwest Airlines, Inc., 359464 (OH)
 14. Rohm & Haas Company, 435119 (OH)
 15. Goss International Americas, Inc., 468777 (OH)
 16. STMicroelectronics, Inc., 374890 (CH)
 17. Verizon Media Ventures, Inc., 333126 (OH)
 18. Marlin Leasing Corporation, 475681 (OH)
 19. D. Jenkins Enterprises, Inc., 404291 (GH)
 20. Ann Taylor Retail, Inc., 444342 (OH)
 21. Wachovia Dealer Services, Inc., 470335 (EA)
 22. Tastea, LLC, 435279 (EA)

23. Beverages & More, Inc., 440265 (CH)
24. STMicroelectronics (RB), Inc., 374889 (OH)
25. Weatherford U S, LP, 341682 (OH)
26. Americredit Financial Services, Inc., 470371 (OH)
27. Lobel Financial Corporation, 470339 (EA)
28. Excellence in Motivation, Inc., 383894 (OH)
29. Balboa Thrift & Loan Association, 470354 (FH)
30. Capital One Auto Finance, Inc., 470352 (OH)
31. Premier America Credit Union, 461705 (AC)
32. Russell-Newman, Inc., 391021 (OH)
33. CIG Financial, 469764 (EA)
34. Schawk USA, Inc., 360148 (BH)
35. ATCO Noise Management, Inc., 442175 (KH)
36. Medcal Sales, LLC, 459863 (EH)
37. Kern Schools Federal Credit Union, 470393 (AR)
38. Eagle Windows Coverings, Inc., 466655 (BH)
39. Schawk USA, Inc., 479845 (OH)
40. Siemens Government Services, Inc., 457644 (OH)

- G6. Special Taxes Matters Mr. Gau
- Redeterminations
 1. Conco Paint Company, 259626 (MT)
 2. Conco Paint Company, 306859 (MT)
- G7. Special Taxes Matters – Credits, Cancellations,
and Refunds Mr. Gau
- Refunds
 1. Inter-State Oil Company, Inc., 447100 (MT)
 2. BP West Coast Products, LLC, 443021 (MT) – ‘CF’
 3. California State Automobile Association, 348182 (ET) – ‘CF’
 4. Mclane/Suneast, Inc., 447045 (ET)
 5. Basso Distributing Company, Inc., 451500 (ET) – ‘CF’
 6. Verizon California, Inc., 444045 (ET)

There are no 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

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

- H1. Legal Appeals MattersMr. Levine
- Petition for Rehearing
 1. Ravi Singh Sekhon, 329684 (ET)
 - Hearing Notice Sent – No Response
 2. Ga Na Bang U.S.A., Inc., 401792 (AS)

- Cases Heard But Not Decided
 - 3. ABC–NACO, Inc., 167411 (OH)
 - 4a. Norman P. Shockley, Jr., 306953 (GH)
 - 4b. Acclaim Technology, Inc., 341204 (GH)
 - 5. John F. Steele and Gayle Jeanine Steele, 333230 (UT)
 - Petition for Release of Seized Property
 - 6. Zuma Arc, Inc., 466074 (ET)
 - Local Tax Reallocation Hearing***
 - 7. City of Stockton, 472908
- H2. Franchise and Income Tax MattersMs. Kelly
- Opinion
 - 1. James A. Alyn and Lisa E. Alyn, 258065
 - Decision
 - 2. John D. Bogdanoff and Janora G. Bogdanoff, 440634
 - Petitions for Rehearing
 - 3a. Granite Rock Company, 420038
 - 3b. Bruce W. Woolpert and Rose Ann Woolpert, 420171
 - 3c. Bruce G. Woolpert and Mary E. Woolpert, 420181
 - 3d. Arthur Woolpert, 420187
 - 3e. Marianne Woolpert, 420219
 - 3f. Stephen G. Woolpert and Elizabeth M. Woolpert, 420221
 - 3g. Joseph Woolpert, 420222
 - 3h. Melissa E. Woolpert, 420223
- H3. Homeowner and Renter Property Tax Assistance MattersMs. Kelly
- Decisions
 - 1a. Sharon A. Maniaci, 406657
 - ~~1b. Arlene Send, 403763~~
 - 1c. Cheryl A. Thomas, 404987
 - 1d. Nga Phan, 406782
 - 1e. Louise Courtney, 414112
 - 1f. Felicita S. Ibarra, 414184
 - 1g. Ira N. Kanarek, 414863
 - 2. Catherine H. Ung, 423820
- H4. Sales and Use Taxes Matters.....Ms. Henry
- Redeterminations
 - 1. Richard W. Boothman, 348231 (OH)
 - 2. Joyce M. Wooley, 348230 (OH)
 - Relief of Penalty/Interest
 - 3. FFPE, LLC, 479433 (FH)

There are no items for the following 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 Mr. Gau

➤ Petition for Reassessment and Penalty Abatement on Unitary Escape Assessment

1. Pacific Bell, 406931 (279) – ‘CF’

There are no items for the following 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. Golden State Water Company (101) – ‘CF’

2. Pacific Bell Telephone Company (279) – ‘CF’

➤ Unitary Land Escaped Assessments

3. OmniPoint Communications, Inc., (2748) – ‘CF’

4a. AT&T California (279) – ‘CF’

4b. Verizon Wireless (2559) – ‘CF’

4c. Verizon California (201) – ‘CF’

➤ Board Roll Changes

5. 2005, 2006, 2007 and 2008 Board Rolls of State-Assessed Property – ‘CF’

I2. Offers-in-Compromise Recommendations

There are no items for this matter.

1:30 p.m. Board Meeting Reconvenes**

C. Sales and Use Tax Appeals Hearings

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

C4. [Softbyte, LLC, 436211 \(GH\)](#)

For Petitioner: Satish Sandadi, Taxpayer

For Department: Scott Lambert, Hearing Representative

- ~~C5a. Smoke Rings, Inc., 391126 (AR)~~
- ~~C5b. Rami Michell Darghalli, 402639 (AR)~~
- ~~C5c. Rami Michell Darghalli and Faiz Mohamed Munassar, 404172 (AR)~~
 - ~~For Petitioner: Faiz Munassar, Taxpayer~~
 - ~~Dan Davis, Representative~~
 - ~~Jesse McClellan, Representative~~
 - ~~For Department: Scott Lambert, Hearing Representative~~

D. Special Taxes Appeals Hearing
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

Seized Property Appeal Hearing

- D1. [U.S. Business Associates, Inc., 469810 \(ET\)](#)
 - For Petitioner: Richard E. Coombs, Attorney
 - For Department: Monica Silva, Tax Counsel

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

N. Consent Agenda Ms. Olson

- N1. [Retirement Resolutions+](#)
Board approval of employee retirement resolutions.
 - Jose (Joe) C. DeLeon
 - Wayne Fortier
 - Carl L. Herth
 - Craig Kisro
 - Roy Warren, Jr.
- N2. Approval of Board Meeting Minutes
Request Board approval of the Board meeting minutes.
 - [February 25-26, 2009+](#)
 - [March 16-17, 2009+](#)
- N3. [Adoption of 4-R Act Equalization Ratio for 2009-10+](#)
Ensures that rail transportation property is assessed at the same percentage of market value as all other commercial/industrial property.

N4. [Approval of Proposed New Audit Manual section 1208.50, Solar Energy Systems+](#)

Request approval to publish new Audit Manual section 1208.50 regarding solar energy systems.

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

O1. Legislative Committee

P. Other Administrative Matters

P1. Executive Director's Report Mr. Hirsig

a. [Report on time extensions to Butte, Kern, Kings, Lassen, Los Angeles, Madera, Mariposa, Monterey, Orange, Placer, Sacramento, San Diego, San Luis Obispo, Santa Cruz, Sierra, Sonoma, Sutter, Tehama, Trinity, Tulare and Yolo Counties to complete and submit 2009-10 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155.+](#)

b. Acknowledgement of selection of Board of Equalization's Taxpayer Appeals Assistance Program by the Federation of Tax Administrators (FTA) as a co-winner of the 2009 FTA Award for Taxpayer Service and Education.

P2. Chief Counsel Report

There are no items for this matter.

P3. Deputy Director's Report

a. Sales and Use Tax..... Ms. Henry

1. [Issue Paper 08-014, Proposal to Raise the Threshold for Board Member Approval of Refunds in Excess of \\$50,000+](#)

Staff proposal to increase the delegation authority from \$50,000 to \$100,000, on claims for refund filed with the Sales and Use Tax Department and Property and Special Taxes Department.

b. Property and Special Taxes

There are no items for this matter.

c. Administration Ms. Houser

1. [Contracts Over \\$1 Million+](#)

- A contract renewal for the Department of Motor Vehicles to collect sales and use tax and other fees.

- A contract amendment for the Maryland Teksystems, Inc.; which is a contract for the eServices Expansion Project that is impacted by the 1% sales tax increase.

2. [Facilities Update and Direction+](#)

- Update on the on-going projects at 450 N Street.
- Update on the site search.

3. 2009/10 Budget Update and Furlough Plan

Information will be provided to the Board regarding the Legislative fiscal hearings and the Governor’s Executive Order S-16-08 State Employee Furlough. Possible Board action or direction may be requested regarding the Governor’s Budget and the Governor’s Executive Order S-16-08.

d. Technology Services Ms. Brannen

1. Update on Digital BOE Activities

In September 2008, BOE’s Chief Information Officer (CIO) provided the Board with an overview of BOE’s *Digital BOE: Our Initial Roadmap to Becoming Digital*.

Announcement of Closed Session Ms. Olson

Q. Closed Session

- Q1. Discussion and approval of staff recommendations regarding settlement tax and fee matters in dispute (Rev. & Tax. Code §§ 7093.5, 9271, 30459.1, 32471, 40211, 41171, 43522, 45867, 46622, 50156.11, 55332, and 60636)
- Q2. Pending litigation: *Ashok V. Parmar, et al. v. California State Board of Equalization*, Los Angeles County Superior Court, Case No. BC 379013 (Gov. Code § 11126(e))
- Q3. Pending litigation: *Schroeder, et al. v. Board of Equalization, et al.* Sacramento Superior Court Case No. 34-2008-00004467-CU-MT-GDS; *Frankot, et al. v. Board of Equalization, et al.*, Sacramento Superior Court Case No. 34-2008-00012174-CU-PO-GDS; and, *Allen, et al. v. Board of Equalization, et al.*, Sacramento Superior Court, Case No. 34-2008-00017014-CU-TT-GDS (Gov. Code § 11126(e)(2)(B)(i))
- Q4. Discussion and action on personnel matters (Gov. Code § 11126(a))

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

Adjourn - The meeting will reconvene on Thursday, May 28, 2009, at 9:30 a.m.

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The hearing location is accessible to people with disabilities. Please contact Claudia Madrigal at (916) 324-8261, or e-mail Claudia.Madrigal@boe.ca.gov if you require special assistance.

Diane G. Olson, 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.
- *** Municipalities are exempt from Contribution Disclosure requirements, for further information please telephone Toya Davis, Contribution Disclosure Analyst at (916) 327-1798 or email: Toya.Davis@boe.ca.gov.
- + 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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[Agenda Changes](#)

Thursday, May 28, 2009

9:30 a.m. Board Meeting Reconvenes**

Items agendized for a previous day of this meeting, but not concluded, may be taken up today. No items are scheduled for this day at this time.

Adjourn

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Diane G. Olson, Chief
Board Proceedings Division

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- + 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.

CANCELLED