



STATE BOARD OF EQUALIZATION

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Second District, Ontario/Sacramento

MICHELLE STEEL
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
5901 Green Valley Circle, Room 207, Culver City
JUNE 30-JULY 1, 2009

PRELIMINARY RECORD OF BOARD ACTION

Tuesday, June 30, 2009

The following is a preliminary record of Board actions taken at the June 30-July 1, 2009 Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

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

B. Corporate Franchise and Personal Income Tax Hearings

B1. Daniel V, Inc., 342609

Table with 3 columns: DECISION, MEMBER, BOARD VOTE. It contains two rows of data regarding taxpayer appeals and board member votes.

B2. Klaus W. Wang, 441035

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Ms. Yee	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~B3. Vinton P. Cunningham and Beverly F. Cunningham, 447982, 459821~~

B4. Wayne J. Pollard, 399801

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	No
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~B5. Alex Bates, 445335~~**C. Sales and Use Tax Appeals Hearings**

These items are scheduled for the afternoon session.

D. Special Taxes Appeals Hearing

This item is scheduled for Wednesday, July 1, 2009.

There are no items for the following matters:

- E. Property Tax Appeals Hearings
- F. Public Hearings

G. Tax Program Nonappearance Matters – Consent

G1. Legal Appeals Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations. No final determination on sub-items 4, 5 and 6.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-item 8.

- Petition for Rehearing
 1. Yohannes Kahsai, 426226 (GH)
- Hearing Notices Sent – No Response
 2. Malibu Masonry Supply, Inc., 390471 (AC)
 3. CSK Auto, Inc., 358612, 379951 (OH)
 4. ~~Conco Paint Company, 57628, 77681, 151419, 165485, 214933, 89000961230, 89000961240, 89000961250, 89000961260 (MT)~~
 5. ~~Donald Edward Wood, 397151 (AA)~~
 6. ~~Thamir Mahmud, 432156 (UT)~~
 7. Jesus Gomez Marmolejo and Rafael Garcia, 392343 (FH)
 8. RG Funds, LLC, 362017 (AA)
- Petitions for Release of Seized Property
 9. Abdo A. Alharby, 479799 (ET)
 10. Fawaz Nasser Kassem Aliashi, 484213 (ET)

G2. Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
No final determination on sub-items 6 and 8.	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Decisions
 1. Nasrat Alam, 431434
 2. Christopher M. Anaya and Mary O. Anaya, 442153
 3. David C. Claunch, 440637
 4. Crane Co. & Subsidiaries, 357027
 5. Mary Freidouni, 441031
 6. ~~Fernando Gutierrez, 449484~~
 7. Boris Kiena and Olga Kiena, 444073
 8. ~~Patricia A. McKasy, 449289~~
 9. Bruce Nicholson, 418271
 10. Nancy Y. Ramos, 424051
 11. Gwendolyn Webber, 406027
- Petition for Rehearing
 12. John Buergel, 388878
- Hearing Notices Sent – Appearance Waived
 13. Rick Burningham, 449292
 14. Byron Hoffman, 439441
 15. Jintau Two, 445969
 16. Ruth Vinson, 441009
 17. Judith Walther, 445949

G3. Homeowner and Renter Property Tax Assistance Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
No final determination on sub-item 2	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

➤ Decisions

1. Ashraf Adabi, 449726
2. ~~James Cato, Jr., 426289~~
3. Michael Feeley, 436709
4. Judith Gergel, 432593
5. Freda Mae Hunt, 427520
6. Migirdich Konaraki, 426561
7. Gholam-Ali Najmabadi, 439850
8. Nhon Phung, 431255
9. C. J. Reeves, 432415
10. Bobbie Scott, 435209
11. Kevin Session, 436562
12. Malone Yarborough, 425556

G4. Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

➤ Redeterminations

1. Harry's Auto Body, Inc., 462298 (AS)
2. Ramirez Developers, 351537 (BH)
3. Lifoam Industries, LLC, 436869 (OH)
4. Priority 1 Public Safety Equipment Installation, Inc., 459801 (BH)

➤ Relief of Penalty/Interest

5. Equilon Enterprises, LLC, 484232 (OH)
6. Omax Corporation, 483130 (OH)

➤ Denials of Claims for Refund

7. Bank of America National Trust and Savings Association, 312202 (OH)
8. Sun-Land Garden Products, Inc. 405619 (GH)
9. Trimark Raygal, Inc., 457639 (EA)
10. Frontier Medical, Inc., 381945 (EA)

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-item 11.

➤ Credits and Cancellations

1. Office Club, Inc., 482440 (OH)
2. Maxell Corporation of America, 405668 (OH)
3. Binding Systems of California, Inc., 470154 (CH)
4. Dot Hill Systems Corp., 484707 (FH)
5. Pegasystems, Inc., 485346 (OH)
6. Office Depot, Inc., 484262 (OH)
7. Macys.com, Inc., 484586 (OH)

➤ Refunds

8. Madison/Graham Color Graphics, Inc., 400794 (AA)
9. Bank of America National Trust and Savings Association, 312202 (OH)
10. Wind River Systems, Inc., 468310 (CH)
11. NEC Electronics America, Inc., 425396 (GH)
12. R. R. Donnelley & Sons Company, 400428 (OH)
13. Tolleson Design, Inc., 483154 (BH)
14. South Coast Imports Group, Inc., 459573 (EA)
15. Marwan Jaradah, 301667 (KH)
16. SCCA, LLC, 443321 (OH)
17. Owens & Minor Distribution, Inc., 459089 (OH)
18. Owens & Minor Distribution, Inc., 468155 (OH)
19. Owens & Minor Distribution, Inc., 468157 (OH)
20. Owens & Minor Distribution, Inc., 450381 (OH)
21. W. W. Grainger, Inc., 483126 (OH)
22. Tupperware U. S., Inc., 374177 (OH)
23. Frank Kofsuske, 422907 (BH)
24. Sun Microsystems, Inc., 477373 (OH)
25. Wyle Laboratories, Inc., 425729 (OH)
26. Pacific Service Credit Union, 474783 (CH)
27. Foreman Financial, Inc., 476655 (AC)
28. United Auto Credit Corporation, 475411 (EA)
29. Long Beach Acceptance Corporation, 470358 (EA)
30. Transouth Financial Corporation, 461144 (OH)
31. Bay Federal Credit Union, 475961 (GH)
32. Sierra International Machinery, LLC, 441081 (AR)
33. Pacific Capital Bank, N. A., 450743 (GH)
34. NK Financing Corporation, 405443 (AS)

G6. Special Taxes Matters
There are no items for this matter.

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-item 1.

- Refunds
 1. Castle & Cooke Aviation Services, Inc., 482847 (MT) 'CF'
 2. McLane/Suneast, Inc., 460947 (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

H1. Legal Appeals Matters
There are no items for this matter.

- H2. Franchise and Income Tax Matters
 - Matter for Board Decision
 1. Taiheiyo Cement USA, Inc., 332855

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Ms. Yee	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

H3. Homeowner and Renter Property Tax Assistance Matters

- Petition for Rehearing
 1. Sydell Dublin, 437737

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition for rehearing denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

- H4. Sales and Use Taxes 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
- H9. Cigarette License Fee Matters
- H10. Legal Appeals Property Tax Matters

- I. Tax Program Nonappearance Matters
There are no items for these 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

N. Consent Agenda

N1. Summons to Annual Meeting of the Board and County Assessors

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved as recommended by staff.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

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

C. Sales and Use Tax Appeals Hearings

C1. Swanillon, Inc., 422969, 432778 (FH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition/claim denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C2. Tom Dworkin Associates, 341727 (AC)~~

C3. Khurshid Alam Khan, 241965, 359065, 359066 (AR)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petitions denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

Q. — Closed Session

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Wednesday, July 1, 2009

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C. Sales and Use Tax Appeals Hearings

C4. Renix Corporation, 317697, 318253 (EH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition/claim denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C5. Universal City Studios, Inc., 373822, 378248 (AC)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Ms. Yee	Yes
The Board submitted the petition for decision, granting the petitioner 30 days to file supporting documents, the Department 30 days to respond, and the Appeals Division 30 days thereafter to review the petitioner's supporting documents, the Department's response and provide its recommendation to the Board.	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C6. PFT / Alexander Service, Inc., 400767 (AA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes

D. Special Taxes Appeals Hearing

D1. Said T. Saad, 273001 (ET)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/ Ms. Mandel	Yes