



STATE BOARD OF EQUALIZATION
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BETTY T. YEE
Acting Member
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
July 18, 2006
NOTICE AND AGENDA**

Board Committee Meeting Convenes At 9:30 a.m.*

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, Mr. Chiang, may modify the order of the items on the agenda.

BOARD COMMITTEE MEETING

LEGISLATIVE COMMITTEE – Room 122 Ms. Yee, Committee Chair

Legislative Bills – Recommendations for Board Positions:

1. SB 1317 (Torlakson) - Property tax revenue allocations: public utilities.
2. AB 926 (Chu) - Property taxation: change in ownership reporting.
3. AB 1717 (Lieber) – Property tax administration: PARE program.
4. AB 1749 (J. Horton) - Cigarettes and tobacco products.
5. AB 1798 (Berg) - Disaster relief.
6. AB 1890 (Mountjoy) - Property taxation: transfer of base year value: disaster relief.
7. AB 2670 (Aghazarian) - Property taxation: regulated railway companies.
8. AB 2735 (Nava) - Disaster relief.

D. SPECIAL TAXES APPEALS HEARING

- D1. California Automobile Insurance Company, 127684 and 139404
 For Dept. of Insurance: Geoffrey Margolis, Department of Insurance
 David K. Okumura, Department of Insurance
 For Petitioner: Derick J. Brannan, Representative
 Theodore Stalick, Witness
 For Department: Robert Lambert, Tax Counsel

E. PROPERTY TAX APPEALS HEARINGS

There are no items for this matter.

F. PUBLIC HEARING

F1 Proposed Amendments to Sales and Use Tax Regulation 1602, *Food Products*

Amendments to Regulation 1602 are proposed to provide a clear standard for taxing sales of combination packages that include food and nonfood products (such as gift baskets) sold for a single price and to eliminate obsolete language in subdivisions (a)(1), (a)(2), (a)(3), and (a)(4) of Regulation 1602.

G. TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT

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

G1 Legal Appeals Matters Mr. Khan

- Petition for Rehearing
 1. Michael A. Olin, 252307 (UT)
- Hearing Notice Sent – No Response
 2. Paragon Industries, Inc., 219180, 246246 (KHO)
 3. Roy Edward Dryer, 296116 (KH)
- Petitions for Release of Seized Property
 4. Maria Valencia, 349660 (ET)
 5. Truman Chao, 349573 (ET)
 6. Anthony Hemenes, III, 352209 (ET)
 7. Claudia C. Iniguez, 351326 (ET)

G2 Franchise and Income Tax Matters Mr. Schreiter

- Decisions
 1. Norman Desilva, 327446
 2. Gold Country Women Investment Club, 287988
 3. Scott Lockard, 311188
 4. Stephen Vincent Muro, 327861
 5. C. J. Percival, 328129
 6. Crystal A. Poole, 334621

7. Fernando T. Tonolet, 311980
8. Teofilo B. Ulanday, 315120
9. Shuranda Walker, 312584

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

- Decision
 1. Jamark Jackson, 329962

G4 Sales and Use Taxes Matters Ms. Henry

- Redeterminations
 1. American Capital Resources, Inc., 332009 (OH)
 2. SFC Capital Group Corporation, 332008 (OH)
 3. Flamingo Motors, Inc., 255915 (FH)
- Relief of Penalty/Interest
 4. Cannon Power Corporation, 264771 (FHB)
- Denials of Relief of Penalty/Interest
 5. Muntaser Asad Ammari, 88898 (AS)
 6. Convergent Commctn Services, Inc., 304338 (OH)
 7. Wellborn Cabinet, Inc., 156506 (OHC)

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

- Credits and Cancellations
 1. Northwest Test & Measurement, Inc., 348780 (GH)
 2. By Design Automotive, Inc., 349925 (AS)
 3. Marrissa Anne Fernandez, 350965 (EH)
- Refunds
 4. Metro Goldwyn Mayer Studios, Inc., 349492 (AS)
 5. Comcast of Los Angeles, Inc., 352284 (OH)
 6. New United Motor Mfg., Inc., 340719 (CH)
 7. Loveland Industries, Inc., 340484 (KHO)
 8. Toshiba America Medical Sys., Inc., 349435 (EA)
 9. Frontier Medical, Inc., 187686 (EA)
 10. City of El-Centro, 296920 (FHA)
 11. Ferrari Color, Inc., 316699 (KH)
 12. Siemens Med. Solutions USA, Inc., 346812 (OHB)
 13. ATS Systems Oregon, Inc., 304352 (OH)
 14. Daimler Chrysler Corporation, 350015 (CHA)
 15. M & M Cabinets, Inc., 350280 (CH)
 16. EBay, Inc., 332996 (GH)
 17. Pacificare Hlth Plan Admnstrs, Inc., 347470 (EA)
 18. Computer Process Controls, Inc., 345185 (OHC)
 19. Nabisco, Inc., 207121 (OHA)
 20. Arris International, Inc., 195331 (OHC)
 21. Paypal, Inc., 332385 (GH)
 22. Sprint Communications Company LP, 344806 (OHA)
 23. Southern Western FCU, 315088 (EA)

G6 Special Taxes Matters

There are no items for this matter.

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

➤ Refunds

1. Aera Energy, LLC., 135130, 141624
2. Thrifty Payless, Inc., 353191

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 Govt. Code § 15626.)

H1 Legal Appeals Matters Mr. Khan

➤ Petition for Rehearing

1. Cities of Los Angeles and San Jose, 352192

➤ Cases Heard But Not Decided

2. Brenton Motor Works Incorporated, 252420 (FH)

H2 Franchise and Income Tax Matters Mr. Schreiter

➤ Decisions

1. Robert Elliot, 310555
2. Steve Wachko, 301335

➤ Petition for Rehearing

3. Hannah Dawn Swift, 304424

H3 Homeowner and Renter Property Tax Assistance Matters

There are no items for this matter.

H4 Sales and Use Taxes Matters

There are no items for this matter.

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

➤ Refunds

1. The Disney Store, Inc., 342078 (AC)
2. 827, Inc., 293778 (UT)

H6 Special Taxes Matters Mr. Gau

➤ Refunds

1. W. A. Dwelle, Inc., 221382, 332363 (MT) 'CF'

There Are No Items For The Following 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

- Unitary Land Escaped Assessment
- 1. Duke Energy Morro Bay (1104)– “CF”

I2 Offers-in-Compromise Recommendations Ms. Ograd

- 1. Graciela Rios
- 2. Riaz and Gulfroze Khan

CHIEF COUNSEL MATTERS

J. Rulemaking

Section 100 Change to Regulations

J1 Sales and Use Tax Regulation 1620, *Interstate and Foreign Commerce* Ms. Cazadd

There Are No Items For The Following Matters

- K. Business Taxes
- L. Property Taxes

M. Other Chief Counsel Matters

Taxpayers’ Bill of Rights Follow-Up Report

**M1 Cigarette and Tobacco Products Licensing Act (AB71) Ms. Cazadd/
Mr. Gilman**

Request approval to publish *Inspection Fact Sheet* or *Fact Sheet* with *Inspection Survey* attached.

ADMINISTRATIVE SESSION

N. Consent Agenda Mr. Evans

N1 Retirement Resolutions

- Robbin E. Blomquist
- Linda Lack
- Kenja A. Miyamoto

N2 Approval of Board Meeting Minutes

- May 22, 2006

- N3 Approval of time extensions for Alpine, Amador, Inyo and Mendocino Counties to complete and submit 2006-07 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155

O. Approval of Board Committee Meeting Minutes

- O1 Legislative 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. Bureau of State Audits' Report on Cigarette and Tobacco Products Licensing Act (AB71)
2. Information Technology Contract Awarded to KPMG - Update
3. Final Budget Action FY 2006-2007 - Update

- P2 Adoption of the 2006-07 Private Railroad Car Tax Rate – “CF”Mr. Hayes**

- P3 Adoption of the 2006 Private Railroad Car Roll – “CF”Mr. Siu**

- P4 Adoption of the 2006 State Assessed Property Roll – “CF”Mr. Siu**

ANNOUNCEMENT OF CLOSED SESSION Mr. Evans

Q. Closed Session

- Q1 Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code §§ 6901, 7093.5, 30459.1 and 50156.11)
- Q2 Discussion and action on personnel matters (Govt. Code § 11126(a))

ANNOUNCEMENT OF OPEN SESSION Mr. Evans

ADJOURN

If you wish to receive this Notice and Agenda electronically, you can subscribe at www.boe.ca.gov/agenda.

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 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.
- "CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.