STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
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Fourth District, Los Angeles

JOHN CHIANG
State Controller

RAMON J. HIRSIG
Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
NOTICE AND AGENDA
Meeting Agenda (as of 2:15 p.m., 09/30/08)

Agenda Changes

Wednesday, October 1, 2008

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, Dr. Chu, may modify the order of the items on the agenda.

Board Committee Meeting*

Property Tax Committee .....Ms. Steel, Committee Chair

1. Business Property Assessments

   Request approval of the semiconductor industry business property assessment practice guidelines and valuation factors.

Board Meeting**

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

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

~~B1a. Terry M. Furst, 309733~~
~~B1b. Larrie R. Furst, 342121~~
~~For Appellant: Terry M. Furst, Taxpayer~~
~~For Franchise Tax Board: Kathleen Cooke, Tax Counsel~~

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

C1. International Investment Properties, Inc., 313013 (KH)
For Petitioner: Abe Golomb, Representative
For Department: Mariflor Jimenez, Hearing Representative

C2. Gilberto Gonzalez Perez, 396030 (AR)
For Petitioner: Paul Ramirez, Tax Preparer
For Department: Mariflor Jimenez, Hearing Representative

C3. Balbir Singh Dhillon and Ranbir K. Dhillon, 127834 (GH)
For Petitioner: Waived Appearance
For Department: Mariflor Jimenez, Hearing Representative

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

D1a. Ravi Singh Sekhon, 329682 (ET)
D1b. Ravi Singh Sekhon, 329684 (ET)
For Petitioner: Ravi Sekhon, Taxpayer
For Department: Stephen Smith, 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 1602.5, *Reporting Methods for Grocers +* ..... Mr. Huxsoll

Adoption of proposed amendments to Sales and Use Tax Regulation 1602.5 would eliminate language related to Board approval of an electronic scanning method, modified purchase ratio method, or cost plus markup method before the method is used to report tax.

G. Tax Program Nonappearance Matters – Consent
(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)

G1. Legal Appeals Matters.....Mr. Levine

- Petitions for Rehearing
  1a. Ameritrans, Inc., 315414, 315417 (KH)
  1b. Ameriwest, Inc., 281204, 315418 (KH)
  2. Cigarettes Cheaper!, 80069 (JH)
  3. Jamshid Malakouti, 308952 (EH)

- Hearing Notice Sent – No Response
  4. Dinerland, 379964 (CH)
- Petitions for Release of Seized Property
  5. Ibrahim Said Mekhail, 457966 (ET)
  6. Ajmer Singh Nijjar, 449686 (ET)

G2. Franchise and Income Tax Matters ..... Ms. Kelly

- Decisions
  1. Patricia Cairns, 340155
  ~~2. K. Muller Property Number One, LLC, 382823~~
  3a. Ronald C. Ladrech and Melissa A. Ladrech, 381604
  3b. Auditorium Travel Inn, Inc., 382893
  4. Scott Lockard, 377163
  ~~5. John Stroup and Judith Stroup, 354089~~
  6. Manuel Velazquez De Leon and Mayra Velazquez De Leon, 379668

G3. Homeowner and Renter Property Tax Assistance Matters ..... Ms. Kelly

- Decision
  1. Hui X. Zhao, 377652

G4. Sales and Use Taxes Matters ..... Ms. Henry

- Redeterminations
  1. Karen L. Dore, 345458 (EH)
  2. Abner Witherspoon, Inc., 380586 (EH)
- Denial of Claim for Refund
  3. Aero Transit, Inc., 445500 (UT)

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

- Credits and Cancellations
  1. Angela McCormack, 423332 (EH)
  2. Gary Lee Watkins, 450953 (KH)
- Refunds
  3. P & R Paper Supply, Inc., 420984 (EH)
  4. Therma-Wave, Inc., 449194 (CH)
  5. Quest Media & Supplies, Inc., 457798 (KH)
  6. Mercedes-Benz Credit Corp, 316758 (OH)
  7. Merillat Corporation, 357435 (OH)
  8. Shelter Products, Inc., 445330 (OH)
  9. Packaging Plus, LLC, 424085 (AA)
  10. Wescom Credit Union, 445776 (AP)
  11. Schawk Holdings, Inc., 392159 (AA)
  12. Balboa Thrift & Loan Association, 446217 (FH)
  13. Ciena Communications, Inc., 449437 (OH)

14. Solar Integrated Technological, Inc., 341979 (AA)
15. Netezza Corporation, 442180 (OH)
16. Schawk USA, Inc., 394849 (OH)

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

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

- Refund
  1. T.F. Louderback, Inc., 405473 (ET) – "CF"

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 Matters.....Mr. Levine

- Petitions for Rehearing
  1. Markos Demitrios Kaffatos, 255852 (ET)
  2. The Customer Company, 113119 (JH)
- Hearing Notices Sent – No Response
  3. Quick Pick Food Stores Liquor, Inc., 254339 (EA)
  4. Tobacco Retailing USA, Inc., 139097 (AA)
- Cases Heard But Not Decided
  5. Justin F. McJones and Madeleine A. McJones, 311626 (UT)
  6. Vector Design, Inc., 255265 (AC)
  7. Vista Café, Inc., 328978, 332208 (AS)
  8a. Norman P. Shockley, Jr., 306953 (GH)
  8b. Acclaim Technology, Inc., 341204 (GH)
  9. Viktor Benes Continental Pastries, Inc., 336688 (AC)

H2. Franchise and Income Tax Matters .....Ms. Kelly

- Decision
  1. Kayla L. Williams, 397041
- Petition for Rehearing
  2. Boyd Holdings, 362328

There are no items for the following matters:
H3. Homeowner and Renter Property Tax Assistance Matters
H4. Sales and Use Taxes Matters

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

- Credit and Cancellation
  1. Clear Vision Management, Inc., 440337 (EH)
- Refund
  2. Redwood Credit Union, 426890 (JH)

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 Gov. Code § 15626.)

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

- Board Roll Changes - "CF"
  1. 2005, 2006, 2007 and 2008 Board Rolls Of State-Assessed Property

I2. Offers-in-Compromise Recommendations ..... Ms. Ogrod/Ms. Fong

1. Tom Sargon Jillo

Chief Counsel Matters

J. Rulemaking

~~J1. Petition to Adopt a Regulation to Designate Qualified Veteran Itinerant Vendors as Consumers of Tangible Personal Property..... Ms. Caruso~~

~~Taxpayer petition to adopt a new regulation providing that an itinerant vendor, who is a qualified United States veteran, is the consumer, not the retailer, of goods that the veteran sells.~~

There are no items for the following matters:
K. Business Taxes
L. Property Taxes

M. Other Chief Counsel Matters

M1. *Loeffler v. Target Corp. +* ..... Mr. Lambert/ Mr. Waid
Second District Court of Appeal No. B199287 Los Angeles Superior Court No. 360004

Request for authorization to file Amicus Curiae brief in opposition to brief filed by Attorney General.

Administrative Session

N. Consent Agenda ..... Ms. Olson

N1. Approval of Board Employee Retirement Resolutions+

Board approval of employee retirement resolutions.

- Doug Heinz
- Larry V. Hopkin
- Judith Jackson
- Linda Kirkham
- Robert O'Neill, Jr.

N2. Approval of Board Retirement Resolution+

Board approval of County Assessor retirement resolution.

- Bruce Dear

N3. 2008-09 Emergency Telephone Users Surcharge Rate+

Section 41030 and 41031 of the R&T Code provides that the Department of General Services shall determine annually on or before September 1, a surcharge rate that it estimates will produce sufficient revenue to fund the current fiscal year's 911 costs.

~~N4. Sales Tax Prepayment Rate on Motor Vehicle Fuel, Diesel Fuel and Jet Fuel+~~

~~Section 6480.1 of the R&T code requires the Board of Equalization to determine annually by November 1 the rate at which sales tax on motor vehicle fuel is to be collected. At the time such fuel is first distributed in the state during the twelve month period beginning the following April 1.~~

N5. Summons to Annual Meeting of the Board and County Assessors+

Request approval of summons of county assessors to meeting with the Board to discuss issues relating to property assessment administration.

N6. Approval of Proposed Revisions to Audit Manual Chapter 2, Preparation of Field Audit Reports, Chapter 3, Audit Working Papers, and Chapter 4, General Audit Procedures+

Revisions to various manual sections to incorporate current policy and procedures and maintain the manual up to date.

N7. Approval of Proposed Revisions to Compliance Policy and Procedures Manual Chapter 4, Section 405.035, Release and Refund of Security - Active Accounts+

Revisions to Section 405.035 include the new release criteria for security deposits as approved by the Board on April 8, 2008.

N8. Approval of 2009 Board Workload Plan+

The plan consists of 2009 Board meetings, meeting formats for meetings held in Sacramento and Culver City and significant dates considered in setting Board meeting dates.

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

O1. Property Tax Committee

P. Other Administrative Matters

P1. Executive Director's Report ..... Mr. Hirsig

a. Governor's Employee Safety Awards (GESA)+

There are no items for the following matters:

P2. Chief Counsel Report

P3. Deputy Director's Report

a. Sales and Use Tax

b. Property and Special Taxes

c. Administration ..... Ms. Houser

1. Facilities – Headquarters

~~Our DGS representative will provide a status of on-going BOE repair projects.~~ BOE will provide an update on the Headquarters Space Assessment.

2. Fiscal Year 2008/09 Budget Update

Current status of the 2008/09 Budget.

Announcement of Closed Session ..... Ms. Olson

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. Pending litigation: *Schroeder, et al.* v. *Board of Equalization, et al.* Sacramento Superior Court Case #34-2008-00004467-CU-MT-GDS (Gov. Code § 11126(e)(2)(B)(i)); *Frankot, et al.* v. *Board of Equalization, et al.,* Sacramento Superior Court Case #34-2008-00012174-CU-PO-GDS (Gov. Code § 11126(e)(2)(B)(i)); and *Allen, et al.* v. *Board of Equalization, et al.*, Sacramento Superior Court Case #34-2008-00017014-CU-TT-GDS (Gov. Code § 11126(e)(2)(B)(i))

Q3. Discussion and action on personnel matters (Gov. Code § 11126(a))

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

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 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.

\+ 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.