



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080
(916) 322-2270 • FAX (916) 324-3984
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

BILL LEONARD
Second District, Ontario/Sacramento

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

RAMON J. HIRSIG
Executive Director

**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
November 17-19, 2009**

PRELIMINARY RECORD OF BOARD ACTION

Tuesday, November 17, 2009

The following is a preliminary record of Board actions taken at the November 17-19, 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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Board Committee Meetings

- Legislative Committee
- Business Taxes Committee
- Customer Services and Administrative Efficiency Committee

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**
 - B1. John Nelson and Ivy Nelson, 469840

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' appeal partially granted/denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B2. Filtrona Industrial Corporation, 427430

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal partially granted/denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

B3. ~~Keith Costello, 432902~~**C. Sales and Use Tax Appeals Hearings**

These items are scheduled for Wednesday, November 18, 2009.

D. Special Taxes Appeals Hearings
There are no items for this matter.

E. Property Tax Appeals Hearings

These items are scheduled for Thursday, November 19, 2009.

F. Public Hearings
There are no items for this matter.

G. Tax Program Nonappearance Matters – Consent

G1. Legal Appeals 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
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Petitions for Rehearing
 1. City of Sacramento, 472921
 2. ~~Main Street California, Inc., 224746 (OH)~~
- Hearing Notices Sent – No Response
 3. Charan Singh Dhillon and Sukhwinder Singh, 437867 (KH)
 4. Ki Hwan Pae, 445598, 445929 (GH)
 5. Michael Joseph Cavallaro, 440139 (CH)
 6. CTC Liquidation, Inc., 420935 (BH)
 7. R.S. Basso, LLC, 396034 (JH)
- Hearing Notices Sent – Appearance Waived
 8. Sherlock Systems, Inc., 435794 (OH)
 9. Nalco Energy Services, LP, 104749, 135768 (OH)
- Petitions for Release of Seized Property
 10. Biricti Kahsai, 491643 (ET)
 11. Rajwant Kaur Dhillon, 496359 (ET)
 12. Mehra Corporation, 496329 (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 11, 13 and 19.	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

➤ Decisions

1. Michael B. Azzam and Amalia Azzam, 431459
 2. Adalberto Barrios, 433000
 3. Daniel Buckler, 431056
 4. Ivy L. Calvin and Wendy D. Calvin, 469771
 5. Jose Luis Contreras, Jr., 447585
 6. Estate of Defang Ma (Deceased), 424293
 7. Mary Ann Del Valle, 431501
 8. Norman Edwards (Deceased), 451525
 9. Tammy S. Fisher, 419982
 10. Richard M. Friedel, 439485
 11. ~~Ivo I. Georgiev, 443908~~
 12. Gamiel C. Gran and Gail K. Gran, 258344
 13. ~~Christopher D. Harper, 439956~~
 14. Karl Ihrig, 449600
 15. Futo Tehshyong Kao, 404648
 16. Edmond C. Ku and Ellen Ku, 406864
 17. Eric G. Leonard, 451531
 18. Charles Lewis and Georgia Lewis, 405936
 19. ~~Kenneth K. Low and Linda Marissa Low, 474345~~
 20. Roger B. Menard and Mimi Platt, 422886
 21. Shelley E. McAlpine, 400659
 22. Daniel McInerney, 449284
 23. Glenn M. Rosen and Peggy A. Rosen, 462041
 24. Michael Ruggiero and Christine Sadel, 439529
 25. Johnny Stake, 468636
 26. Clinton Tinker, 468753
 27. Alvin J. Washington, 434784
 28. Theodore S. Wentworth and Diana Wentworth, 476742
 29. Barbara J. Whipple, 466276
 30. Robert M. Yeakey and Veronique Marie Yeakey, 468749
- Petition for Rehearing
31. Jeremiah S. Ryder, 399886

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 4.	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

➤ Decisions

1. Elizabeth Dela Torre, 463915
2. Bertha Garcia, 464119
3. Maria Pacheco, 435517
4. ~~Rosalina A. Reyes, 448041~~
5. Georgina Rogers, 436644
6. Jack Stuart, 432467

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
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-item 8

➤ Redeterminations

1. Ralf Mandt-Rauch, 483500 (AS)
2. Desiree C. (Garcia) Nutley, 478049 (EH)
3. AGM Glass Machinery, Inc., 418977 (OH)
4. Funny World, Inc., 394048 (AS)
5. In L.A. Jewelry, Inc., 451064 (AA)
6. Stanley Security Solutions, Inc., 445616 (OH)
7. Amway Corporation, 436837 (OH)

➤ Relief of Penalty/Interest

8. EMC Corporation, 506836 (OH)
9. Equilon Enterprises, LLC, 495651 (OH)
10. Tower Energy Group, 506347 (AS)
11. Home Shopping, LP, 505748 (OH)
12. ATS Automation Tooling Systems, Inc., 506652 (OH)

➤ Denials of Claims for Refund

13. American Material Management Alliance, Inc., 333020 (EH)
14. STMicroelectronics, Inc., 374890 (CH)
15. Integrated Supply Network, Inc., 462796 (JH)
16. 3M Company, 398837 (OH)
17. Ford Motor Credit Company, 93946 (OH)

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 – except not participating in sub-item 9
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-items 7, 8, 23, 31 and 38

- Credits and Cancellations
 1. Stephen J. Heuer, 505497 (GH)
 2. Unisys Corporation, 458688 (OH)
 3. Made2Manage Systems, Inc., 426243 (OH)
 4. California State Automobile Association, 507302 (BH)
 5. Worldwide Environmental Products, Inc., 470167 (EA)
 6. T A Operating Corporation, 461733 (OH)
- Refunds
 7. Walt Disney Pictures & Television, 435361 (OH)
 8. Disney Worldwide Services, 435366 (OH)
 9. Chevron U.S.A., Inc., 489793 (BH)
 10. Raymar Information Technology, Inc., 467806 (KH)
 11. Harcourt, Inc., 494470 (OH)
 12. Hitco Carbon Composites, Inc., 485941 (AS)
 13. Professional Hospital Supply, Inc., 490851 (EH)
 14. Verity, Inc., 422052 (BH)
 15. Ripon Manufacturing Company, 426880 (KH)
 16. Stohman & Rogers, Inc., 465762 (KH)
 17. Anheuser-Busch, Inc., 424505 (OH)
 18. Raytheon Technical Services Company, 464433 (OH)
 19. APV North America, Inc., 483751 (OH)
 20. Powell Electrical Systems, Inc., 467817 (OH)
 21. Safilo USA, 477959 (OH)
 22. NWA Fuel Services Corporation, 469435 (OH)
 23. Tyco Telecommunications (US), Inc., 424233 (OH)
 24. UPS Oasis Supply Corporation, 340492 (OH)
 25. DC Shoes, Inc., 473695 (FH)
 26. Francisco Abel Machuca, 434880 (EH)
 27. Owens & Minor Distribution, Inc., 494879 (OH)
 28. Owens & Minor Distribution, Inc., 494990 (OH)
 29. Owens & Minor Distribution, Inc., 494987 (OH)
 30. Owens & Minor Distribution, Inc., 494992 (OH)
 31. General Electric Company, 240394 (OH)
 32. 3M Company, 398837 (OH)
 33. CalMat Co., 492971 (AA)
 34. J.E. DeWitt, Inc., 447331 (AP)
 35. Ford Motor Credit Company, 93946 (OH)
 36. Shreve & Co. Jewelers, LTD, 473169 (OH)
 37. General Atomics Aeronautical Systems, Inc., 478142 (FH)
 38. Nestle USA-Prepared Foods Division, Inc., 465756 (OH)
 39. Siemens Transportation, 252135 (OH)
 40. Olson and Company Steel, 486416 (CH)

41. Nuveel Credit Corporation, 399888 (OH)
42. Frederick Arnold Shaw, LLC, 494059 (AA)
43. A-L Financial Corp., 488221 (EA)
44. 1st United Services Credit Union, 482551 (CH)
45. Medcal Sales, LLC, 494427 (EH)
46. Pacific Cabinets, Inc., 469584 (OH)
47. H & E Equipment Services, Inc., 473163 (OH)

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
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-items 1 and 4.

- Credits and Cancellations
 1. Santa Maria Refining Company, 371844 (MT) 'CF'
 2. Pan Pacific Retail Properties, Inc., 444206 (MT)
- Refunds
 3. McLane/Suneast, Inc., 462371 (ET)
 4. Diageo North America, Inc., 473563 (ET) 'CF'

G8. Property Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes – except not participating in sub-items 2a and 2b.
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Not participating

- Petitions for Reassessment of Unitary Value
 1. Southwest Gas Corporation (152), 492249 'CF'
 - 2a. Pacific Terminals, LLC (488), 495429 'CF'
- Petition for Reallocation of Unitary Value
 - 2b. Pacific Terminals, LLC (488), 496063 'CF'
- Petition for Reassessment and Penalty Abatement on Unitary Value
 3. Astound Broadband, LLC (7832), 495663 'CF'
- Petition for Penalty Abatement on Unitary Value
 4. Calaveras Telephone Company (210), 492251 'CF'

There are no items for the following matters:

- G9. Cigarette License Fee Matters
G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory**H1. Legal Appeals Matters**

➤ Hearing Notice Sent – No Response

1. Michael Donovan Thompson, 381893 (AR)

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

➤ Cases Heard But Not Decided

2. A Realty Publications, Inc., 343231, 373181, 379332, 391653 (EH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Board Determination.	Ms. Yee	
	Mr. Leonard	
	Ms. Steel	
	Mr. Horton	
	Mr. Chiang/ Ms. Mandel	

3. Select Office Solutions, Inc., 187460, 345451 (AP)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Ms. Yee	
	Mr. Leonard	
	Ms. Steel	
	Mr. Horton	
	Mr. Chiang/ Ms. Mandel	

4. Elufa Corporation, 350440 (AA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Ms. Yee	
	Mr. Leonard	
	Ms. Steel	
	Mr. Horton	
	Mr. Chiang/ Ms. Mandel	

- Petition for Release of Seized Property
- 5. Zuma Arc, Inc., 466074 (ET)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Ms. Yee Mr. Leonard Ms. Steel Mr. Horton Mr. Chiang/ Ms. Mandel	

H2. Franchise and Income Tax Matters

- Decision
- 1. Gregory E. Mudwilder and Patricia A. Mudwilder, 444049

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' appeal partially granted/denied.	Ms. Yee Mr. Leonard Ms. Steel Mr. Horton Mr. Chiang/ Ms. Mandel	No Yes Yes Yes Yes

- Petition for Rehearing
- 2. Melvin L. George, Sr. and Laura Lee George, 443087

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' petition for rehearing denied.	Ms. Yee Mr. Leonard Ms. Steel Mr. Horton Mr. Chiang/ Ms. Mandel	Yes No No Yes Yes

- Hearing Notices Sent – Appearance Waived
- 3. Marc Pretscher, 441638

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal partially granted/denied. A \$3,000 frivolous appeal penalty was ordered.	Ms. Yee Mr. Leonard Ms. Steel Mr. Horton Mr. Chiang/ Ms. Mandel	Yes Abstain Yes Yes Yes

4. Marc Pretscher, 444263

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal partially granted/denied. A \$5,000 frivolous appeal penalty was ordered.	Ms. Yee	Yes
	Mr. Leonard	Abstain
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

H3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.

H4. Sales and Use Taxes Matters

➤ Relief of Penalty/Interest

1. General Petroleum Corporation, 493595 (AA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition granted.	Ms. Yee	No
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

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

➤ Credit and Cancellation

1. Artoor Keshish-Moses, 493010 (AC)

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

H6. Special Taxes Matters

➤ Denial of Relief of Penalty

1. Big West of California, LLC, 460290 (MT)

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

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

➤ Petition for Penalty Abatement on Unitary Value

1. Vizada, Inc. (7948), 492252 – ‘CF’

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Ms. Yee Mr. Leonard Ms. Steel Mr. Horton Mr. Chiang/ Ms. Mandel	

➤ Petition for Reassessment of Unitary Value

2. Gilroy Energy Center, LLC (1129), 495853 – ‘CF’

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied	Ms. Yee Mr. Leonard Ms. Steel Mr. Horton Mr. Chiang/ Ms. Mandel	Yes Yes Yes Yes Not participating

3. Los Esteros Critical Energy Facility, LLC (1143), 495857 – ‘CF’

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Ms. Yee Mr. Leonard Ms. Steel Mr. Horton Mr. Chiang/ Ms. Mandel	

4. I-wireless, LLC (2780), 495445 – ‘CF’

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Ms. Yee Mr. Leonard Ms. Steel Mr. Horton Mr. Chiang/ Ms. Mandel	Yes Yes Yes Yes Not Participating

5. Level 3 Communications, LLC (7761), 495662 – ‘CF’

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer’s petition denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

I. Tax Program Nonappearance Matters

11. Property Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

- Unitary Assessment
 1. Local Fiber, LLC, (7976) – ‘CF’
- Unitary Land Escaped Assessments
 - 2a. Pacific Gas and Electric Company, (135) – ‘CF’
 - 2b. Southern California Gas Company, (149) – ‘CF’
 - 2c. Foresthill Telephone Company, (235) – ‘CF’
 - 2d. Los Angeles SMSA Ltd., Partnership, (2532) – ‘CF’
 - 2e. AT&T Mobility, LLC, (2606) – ‘CF’
 - 2f. California Rural Service Area #1, Inc., (2671) – ‘CF’
 - 2g. Sprint PCS, (2720) – ‘CF’
 - 2h. MetroPCS California, LLC, (2733) – ‘CF’
 - 2i. NTCH-CA, Inc., (2764) – ‘CF’
 - 2j. Royal Street Communications, LLC, (2779) – ‘CF’
 - 2k. Trillion Partners, Inc., (8094) – ‘CF’
- Board Roll Changes
 3. 2006, 2007, 2008 and 2009 Board Rolls of State Assessed Property – ‘CF’

I2. Offers in Compromise Recommendations

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

1. Valgene E. Christensen and Joan J. Christensen
2. Fereidoon Esfandiary and Mr. Café
3. Corner Cigars Distributing, Inc.

B. Corporate Franchise and Personal Income Tax Hearings

B4. Connie S. Ray, 418262

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

~~B5. Donald G. Northrup and Dacrey Northrup, 467011~~

B6. Victoria Soufflet, 461166

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

~~B7. Lester Eaton and Karen Eaton, 481267~~**Chief Counsel Matters**

J. Rulemaking

This item is scheduled for Thursday, November 19, 2009.

There are no items for the following matters:

K. Business Taxes

L. Property Taxes

M. Other Chief Counsel Matters

This item is scheduled for Thursday, November 19, 2009.

Administrative Session

The following items are scheduled for Thursday, November 19, 2009.

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

Q. Closed Session

These items are scheduled for Thursday, November 19, 2009.

UNOFFICIAL



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**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
November 17-19, 2009**

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C. Sales and Use Tax Appeals Hearings

~~C1. James Fishman, 355538 (CH)~~

C2. Nickolaos Papadopoulos and Dimitra Papadopoulos, 436833, 461505 (GH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' petition/claim denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C3. Bruce Arthur Schoen, 421602 (CH)

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

C4. Jeries A. Izhaq and Nemeh T. Zarour, 423914 (KH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' petition denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C5. Musleh Saleh Zokari, 392337 (KH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Returned to the Department.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

C6. Julie Lynn Cossey, 441252 (KH)

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

Local Tax Reallocation Hearing

C7. City of Los Angeles, City of San Jose, and City of Irvine, 472925

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Jurisdictions' petition denied. The Department was directed not to reallocate any local tax to Merced for the period April 1, 1995 to September 30, 1995.	Ms. Yee	No
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes



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**E. Property Tax Appeals Hearings
Petitions for Reassessment of Unitary Value**

E1. Qwest Communications Corporation (2463), 494029 – 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Not participating

E2. Sprint PCS (2720), 495664 – 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Ms. Yee	
	Mr. Leonard	
	Ms. Steel	
	Mr. Horton	
	Mr. Chiang/ Ms. Mandel	

E3. Golden State Water Company (101), 495665 – ‘CF’

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer’s petition denied.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Not participating

Chief Counsel Matters**J. Rulemaking**

Section 100 Changes to Regulations

- J1. Adopt proposed revisions to Alcoholic Beverage Tax Regulations:
- Regulation 2504, *Distilled Spirits Produced, Packaged, or Bottled*
 - Regulation 2505, *Bottled or Packaged Distilled Spirits Acquired in California*
 - Regulation 2506, *Bottled or Packaged Distilled Spirits Imported*
 - Regulation 2507, *Distilled Spirits Sold or Exported*
 - Regulation 2508, *Distilled Spirits Invoices and Bottling or Packaging Records*
 - Regulation 2509, *Prepayment of Distilled Spirits Tax; Consolidated Returns*
 - Regulation 2512, *Beer and Wine Production; Beer Bottling; Wholesalers’ Beer and Wine Purchases*
 - Regulation 2513, *Beer and Wine Imported*
 - Regulation 2514, *Beer and Wine Sold*
 - Regulation 2525, *Contents*
 - Regulation 2530, *Inventories*
 - Regulation 2535, *Distilled Spirits*
 - Regulation 2536, *Beer Manufacturers*
 - Regulation 2537, *Wine Growers*
 - Regulation 2538, *Beer and Wine Importers*
 - Regulation 2540, *Common Carrier Receipts and Delivery Reports*
 - Regulation 2541, *Common Carrier Tax Reports*
 - Regulation 2542, *Public Warehouses*
 - Regulation 2543, *Customs Brokers*
 - Regulation 2544, *Conversion of Liters to Gallons*
 - Regulation 2557, *Powdered Distilled Spirits*
 - Regulation 2560, *Treated as Sales*
 - Regulation 2561, *Exports and Sales for Export*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

M. Other Chief Counsel Matters

- M1. Opinion and Recommendation on Federal Ban and Attorney General's De-Listing of Flavored Cigarettes and Roll-Your-Own Tobacco Products; Board Approval Requested

Administrative Session**N. Consent Agenda**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations for items N1, N2, N3, N4, N6 and N7.	Ms. Yee Mr. Leonard Ms. Steel Mr. Horton Mr. Chiang/ Ms. Mandel	Yes Yes Yes Yes Yes
Approved staff recommendations for item N5.	Ms. Yee Mr. Leonard Ms. Steel Mr. Horton Mr. Chiang/ Ms. Mandel	Yes Yes Yes Yes Yes
The Board deferred Item N8 to December meeting.	Ms. Yee Mr. Leonard Ms. Steel Mr. Horton Mr. Chiang/ Ms. Mandel	

- N1. Retirement Resolutions
- Frederick T. Bagood
 - Patricia A. Clough
 - Kathleen Cobb
 - Lucille C. Lascano
 - Steven Macken
 - Susan A. Mayhew
 - Richard L. Rinetti
 - Frances L. Schmelter
 - Edwin Studer, Jr.
- N2. Approval of Board Meeting Minutes
- July 21, 2009
- N3. Approval of 2010 Timberland Production Zone Values
- N4. Approval of Effects of Proposition 10 on Cigarette and Tobacco Products Consumption
- N5. Approval of Proposed Revisions to Compliance Policy and Procedures Manual Chapter 5, *Returns*
- N6. Approval of Proposed Property Tax Form BOE-263-C, *Church Lessors' Exemption Claim*
- N7. Approval of Assessors' Handbook Section 531, *Residential Building Costs*
- N8. Approval of Assessors' Handbook Section 534, *Rural Building Costs*

O. Adoption of Board Committee Reports and Approval of Committee Actions**O1. Legislative Committee**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein.	Ms. Yee	Yes
	Mr. Leonard	Yes
For details see:	Ms. Steel	Yes
http://www.boe.ca.gov/legdiv/legmeetings09.htm	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

I. 2010 Legislative Proposals**2010 Legislative Proposals —Property Taxes**

- 1-1 Amend Revenue and Taxation Code sections 61 and 5096 to (1) correct a renumbering error and (2) correct a cross reference error.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved. (Consent)	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- 1-2 Amend Revenue and Taxation Code sections 63.1 and 69.5, related to (1) the parent-child change in ownership exclusion and (2) base year value transfers for those over 55, to clarify instances when the real property is held in a trust.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved. (Consent)	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- 1-3 Amend Revenue and Taxation Code section 218 to replace specified disasters with a generic overall provision to retain homeowners' exemption on properties destroyed in governor-declared disasters.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved. (Consent)	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- 1-4 Amend Revenue and Taxation Code section 276.1 to extend from 30 days to 90 days the time for a disabled veteran to file a claim to receive the disabled veterans' exemption retroactively to the effective date of disability in cases where the necessary disability rating letter issued by the United States Department of Veterans Affairs is not timely.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- ~~1-5 Amend Revenue and Taxation Code section 1611 to update language related to methods that a county assessment appeals board must use to record its hearings and, if requested, make a copy available to the appellant, in order to reflect technological advances.~~

2010 Legislative Proposals— Business Taxes-Sales and Use Taxes

- 3-1 Add section 6225.1 to the Revenue and Taxation Code to allow the Board to register certain persons that incur a use tax liability on a regular basis, who are not otherwise required to be registered.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved.	Ms. Yee	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- 3-2 Amend Revenue and Taxation Code sections 6452.1, 6453, 6487.3, and 18510 to eliminate the sunset date of December 31, 2009, in order to continue to require the Franchise Tax Board to provide a line for payment of use tax on the state income tax returns.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved.	Ms. Yee	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- 3-3 Amend Business and Professions Code section 7145.5 to authorize the Board to request the Contractor's State License Board for a denial or suspension of a contractor's license for failure to resolve any outstanding final tax or fee liabilities.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved.	Ms. Yee	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- 3-4 Amend Unemployment Insurance Code section 1088.5 to allow the Board to use the new employee registry information maintained by the Employment Development Department for tax enforcement purposes.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved.	Ms. Yee	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

2010 Legislative Proposals— Business Taxes-Special Taxes and Fees

- 4-1 Amend Revenue and Taxation Code sections 41030, 41031, 41032, 41136, 41136.1, 41137, 41137.1, 41138, 41139, 41140, 41141, 41142, 45855, 45863, 45981, and 45982 and amend Public Resources Code section 42463 to reflect recent changes in California state government organizational structure.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved. (Consent)	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

II. ~~Table of Sections Scheduled to Sunset by January 1, 2012~~

~~Notification of law sections administered by the Board that will sunset by January 1, 2012.~~

III. Final Status of Proposals for Board-Sponsored Legislation in 2009

Report on final status of proposals for Board-Sponsored Legislation in 2009.

O2. Business Taxes Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein. For details see: http://www.boe.ca.gov/meetings/btc2009.htm	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

1. Proposed Regulation for *Audit Procedures* in General

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Authorized to publish with amendments.	Ms. Yee	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

O3. Customer Service and Administrative Efficiency Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein. For details see: http://www.boe.ca.gov/meetings/custsrv/custsrv09.htm	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

P. Other Administrative Matters

There are no items for the following matters:

- P1. Executive Director's Report
- P2. Chief Counsel Report
- P3. Deputy Director's Report

There are no items for the following matters:

- a. Sales and Use Tax
- b. Property and Special Taxes

c. Administration

1. Contract Over \$1 Million—This item is for Board approval.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

2. Facilities Update—This item provides information and may require Board action or direction.

- Headquarters Facilities—Update on the Headquarters Remediation Project including the activated swing space moves within the building.
- Site Search Selection—Update on the site search selection for the Headquarters annex.

3. 2009/10 and 2010/11 Budget Update, Furlough Plan and Layoffs

d. Technology

There are no items for this matter.

Q. **Closed Session**