



**STATE BOARD OF EQUALIZATION**

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Chairwoman

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Third District, Long Beach  
Vice Chairman

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Second District, Ontario

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Fourth District, Los Angeles

STEVE WESTLY  
State Controller, Sacramento

TIMOTHY W. BOYER  
Interim Executive Director

**STATE BOARD OF EQUALIZATION MEETING  
450 N Street, Room 121, Sacramento**

**NOTICE AND AGENDA**

**Thursday, December 4, 2003**

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of items as they appear on the agenda.

**BOARD COMMITTEE MEETING\* (convenes at 9:30 a.m.)**

❖ **CUSTOMER SERVICES AND ADMINISTRATIVE EFFICIENCY COMMITTEE**

- Mr. Bill Leonard, Chairman
- Ms. Jerri Dale, Staff (916) 445-6188
- Amendments to the Rules of Practice

**BOARD MEETING\*\* (convenes upon adjournment of the Customer Services and Administrative Efficiency Committee)**

❖ **PROPERTY TAX HEARINGS – CASES RESCHEDULED FROM NOVEMBER 18, 2003**

- Otay Mesa Generating Company, LLC (1134), 223878 – “CF”  
Pastoria Energy Facility, LLC (1131), 223879 – “CF”  
Metcalf Energy Center, LLC (1133), 223880 – “CF”
- Delta Energy Center, LLC (1128), 223881 – “CF”  
Calpine Construction Finance Company, LP (1132), 223882 – “CF”
- Cabrillo Power II, LLC (1107), 224892 – “CF”
- Long Beach Generation, LLC (1111), 225286 – “CF”
- AES Alamosa, LLC (1100), 222549 – “CF”  
AES Redondo Beach, LLC (1101), 222550 – “CF”  
AES Huntington Beach, LLC (1102), 222551 – “CF”  
AES Placerita, Inc. (1146), 224763 – “CF”
- West Coast P.C.S. (2745), 224225 – “CF”

❖ **PROPERTY TAX HEARING – PETITION FOR REASSESSMENT OF UNITARY VALUE**

- Cricket Communications, Inc. (2762), 224760 – “CF”

❖ **BUSINESS TAX HEARING – CASE PUT OVER FROM NOVEMBER 19, 2003**

- Rima Naif Hamati, 132983

❖ **PUBLIC HEARINGS**

- [Proposed adoption of amendments to Sales and Use Tax Regulation 1616, Federal Areas](#)

Specifically, it is proposed that subdivision (d)(3)(C) be added to Regulation 1616 to provide that, operative January 1, 2003, the sales price or gross receipts subject to the California sales or use tax do not include the amount of tax imposed by an Indian tribe on its reservation with respect to a retail

sale of tangible personal property on the Indian tribe's reservation, provided that the retailer is in substantial compliance with the Sales and Use Tax Law.

➤ **TIMBER YIELD TAX RATE**

The Revenue and Taxation Code requires that the Board adjust the timber yield tax rate in December of each year to the nearest one-tenth of one percent for the next calendar year. The adjustment is to be in the same proportion as the change from the previous tax year to the present one of the average general property tax rate in the rate adjustment counties.

➤ **TIMBER HARVEST VALUES**

On or before December 31, the Board, after consultation with the Timber Advisory Committee and after public hearings held pursuant to the Administrative Procedure Act, shall designate areas containing timber having similar growing, harvesting and marketing conditions to be used as timber value areas for the preparation and application of immediate harvest values. (Revenue and Taxation Code section 38204)

❖ **TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT**

**C. Legal Appeals Matters**

- Hearing Request Withdrawn
  1. Delta-T Systems, Inc., 153924
  2. Computerlogic, Inc., 132989

**D. Franchise and Income Tax Matters**

- Decisions
  1. Debra K. Cash, 209439
  2. Dan Dougherty, 208821
  3. Anne P. Foster, 215891
  4. Tami Garrett (Johns), 202097
  5. Peter C. Ogudo, 202126
  6. Donald M. Rosenthal, 216900
  7. Richard D. Sherrets, 169670
  8. Ezell and Janet Smith, 217753
  9. Charles E. Travis, 195669
  10. Kimberly J. Tyler, 213517
  11. Paul T. Vuu, 219564
  12. William C. Wong, 213364
- Petitions for Rehearing
  13. Hernan A. Jacobo, 172837
  14. Arnold I. and Rona K. L. Mandel, 186853
  15. Maurice A. Mayben, Jr., 186286
  16. Carl E. Nuesch and Kathleen K. Gulf, 188462
  17. Warren W. Quann, 162821
  18. Rick Schotts, Jr., 202277
  19. Mark E. Stamos, 167885

**E. Homeowner and Renter Property Tax Assistance Matters**

- Decisions
  1. George F. Beardon, 209529
  2. Lana Horton, 208929
  3. Frank J. Lesclinier, 221582
  4. Patsy Mays, 218663
  5. Harbhajan S. Parhar, 218292
  6. Daniel L. Perez, 218289

**F. Sales and Use Taxes Matters**

- Redeterminations
  1. Tomaxusa.com, 207941
  2. Brooks Brothers, Inc., 217893
- Relief of Penalty
  3. 99 Cents Only Stores, 242831
  4. VW Credit Leasing, Ltd., 242486
  5. Piercey North, Inc., 224043
  6. Helena Chemical Company, 242822
  7. Independent Electric Supply, Inc., 222771
  8. De Lage Landen Oprtnl Services, LLC, 222631
  9. FCI Constructors, Inc., 220978
  10. Microsoft Corporation, 242849
  11. Ford Motor Credit Company, 220396
  12. GTE Communication Systems Corporation, 243042
  13. Ford Credit Titling Trust, 220309
  14. Maersk Equipment Service Company, Inc., 242967
- Denials of Claims for Refund
  15. County Sanitation Dist. #2 L.A. Co., 79130
  16. Toyota Motor Credit Corporation, 243089
  17. Corning Incorporated, 206440
  18. Media.Net Communications, Inc., 243161
- Denials of Relief of Penalty
  19. The Sleep Train, Inc., 242653
  20. UAG Cerritos, LLC, 235809

**G. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds**

- Credits and Cancellations
  1. Corporate Software & Technology, 241806
  2. Angelica Garcia Iniguez, 241577
- Refunds
  3. Toyota Motor Credit Corporation, 110565
  4. Bestal Corporation, 168211
  5. Sigma Designs, Inc., 235508
  6. E.R. Squibb & Sons, Inc., 241658
  7. Olympus America, Inc., 132191
  8. Webcraft Technologies, Inc., 241117
  9. CIT Technologies Corporation, 207565
  10. Thomson Multimedia, Inc., 209378
  11. Ford Motor Company, 241954
  12. Countrywide Home Loans, Inc., 134235
  13. Countrywide Home Loans, Inc., 233381
  14. Ross Products Division, Abbott Lab., Inc., 168640
  15. J.R. Simplot Company, 240630
  16. Publishers Data Services, Inc., 238520
  17. Media.Net Communications, Inc., 216174
  18. Sirenza Microdevices, Inc., 241182
  19. Exodus Communications, Inc., 234103
  20. Fetzer's, Inc., 241943
  21. S. B. Restaurant Company, 223465
  22. Philips Electronics NA Corporation, 116398
  23. Lockheed Martin Corporation, 29358
  24. Concur Technologies, Inc., 217748

**H. Special Taxes Matters – Credits, Cancellations, and Refunds**

- Refunds
  1. Shell Oil Company, 240786 – “CF”
  2. Coastal West Ventures, Inc., 89000006440 – “CF”

3. Tosco Corporation, 93404
4. Smart & Final Stores Corporation, 243772
5. San Diego Unified Port Dist., 238576

### **I. Special Taxes Matters**

- Relief of Penalty
  1. W.A. Dwelle, Inc., 235093
  2. 21<sup>st</sup> Century Insurance Company, 223989 – “CF”
  3. Nationwide Life Insurance Company, 235235 – “CF”

### **❖ TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY**

#### **J. Property Tax Matters**

- Petitions for Reassessment of Unitary Value
  1. Verizon California, Inc. (201), 224740 – “CF”
  2. Sierra Railroad Company (871), 225247 – “CF”
  3. Duke Energy Moss Landing, LLC (1103), 225284 – “CF”
  4. Duke Energy Morro Bay, LLC (1104), 225287 – “CF”
  5. Duke Energy Oakland, LLC (1105), 224880 – “CF”
  6. Mirant Potrero, LLC (1108), 224116 – “CF”
  7. Mirant Delta, LLC (1109), 224114 – “CF”
  8. Duke Energy South Bay, LLC (1118), 224889 – “CF”
  9. Teleglobe USA, Inc. (7760), 224606 – “CF”
- Petition for Penalty Abatement on Unitary Value
  10. Advance Telcom Group, Inc. (7813), 224023 – “CF”
- Petitions for Reassessment of Nonunitary Value
  11. Southern California Gas Company, (149), 239992 – “CF”
  12. Union Pacific Railroad Company (843), 239981 – “CF”
- Petition for Correction of Allocated Assessment
  13. Elk Hills Power, LLC (1126), 225289 – “CF”

### **❖ TAX PROGRAM NONAPPEARANCE MATTERS — NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE**

#### **K. Property Tax Matters**

- Audits
  1. San Diego Gas and Electric Company (141) – “CF”
  2. Global Crossing Telecommunications, Inc. (2207) – “CF”
  3. Cox Communications PCS, L.P. (2720) – “CF”
  4. Sprint Spectrum L.P. (2722) – “CF”

### **❖ CHIEF COUNSEL MATTERS – RULEMAKING**

#### **L. Business Taxes**

- [Section 100 Change to Sales and Use Tax Regulation](#)
  1. Regulation 1621, Sales to Common Carriers
- [Proposed Adoption of Amendments to Sales and Use Tax Regulation 1591, Medicines and Medical Devices](#)
  2. Regulation 1591, Medicines and Medical Devices, is proposed to be amended to interpret, implement and make specific Revenue and Taxation Code section 6369. Amendments are proposed to provide that sales of breast and tissue expanders are exempt from tax under defined conditions.

**M. Property Taxes**

- [Petition for Rulemaking Action – Amendments to Property Tax Rules](#)
  - ❑ Property Tax Rule 21, Taxable Possessory Interests – Valuations
  - ❑ Property Tax Rule 138, Exemption for Aircraft Being Repaired, Overhauled, Modified or Serviced
  - ❑ Property Tax Rule 305.3, Application for Equalization Under Revenue and Taxation Code section 469
  - ❑ Property Tax Rule 461, Real Property Value Changes

**❖ ADMINISTRATIVE SESSION**

- [Presentation of the 2003-04 and 2004/05 Baseline Budgets](#)
- [Board Member to Oversee Sales Tax Streamline Project](#)
- [Approval of Contracts Over \\$1 Million](#)
  - ❑ Approval of an inter-agency agreement to reimburse the Franchise Tax Board for costs related to the collection of use tax through the Personal Income Tax Program, as required by the enactment of SB 1009
- [Approval of Board Meeting Calendar April – July 2004](#)
- Consent Agenda
  - ❑ [Approval of Board Employee Retirement Resolutions](#)
    - Jean A. Coughlin
    - Patricia Jones
    - Jacqueline Kay Bloom
  - ❑ [Approval of Board Meeting Minutes](#)
    - September 24, 2003
  - ❑ [Withdrawal of Assessors' Handbook Section 222, Standard Form List](#)
- **BOARD COMMITTEE REPORT**
  - ❑ Approval of Board Committee Minutes
    - Customer Services and Administrative Efficiency Committee

**❖ CLOSED SESSION**

- Pending litigation: In re Lazar, Schulman v. Board of Equalization and State Water Resources Control Board, United States Bankruptcy Court, Central District of California, Los Angeles Division Case No. LA 92-39039 SB, Adversary No. LA 96-02281 SB. (Govt. Code § 11126(e))
- Discussion and action on Personnel Matters (Govt. Code, § 11126(a))

**❖ TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY****A. Legal Appeals Matters**

- Petition for Rehearing
  1. Bobby R. Boydston, 37252, 37254
- Matter for Board Consideration
  2. Porterville Ready Mix, Inc., 145627

**B. Franchise and Income Tax Matters**

- Decisions
  1. Maryanne Avila, 192141
- Matters for Board Consideration
  2. Oil Third Partial Consent Decree Cash Acct. Escrow, 139239

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](mailto:MeetingInfo@boe.ca.gov). Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

Deborah Pellegrini, 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.

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of items as they appear on the agenda. The hearing location is accessible to the disabled. If you require special assistance, please contact Gary Evans at (916) 445-4394, or e-mail [Gary.Evans@boe.ca.gov](mailto:Gary.Evans@boe.ca.gov), to make special arrangements.