



STATE BOARD OF EQUALIZATION
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SEN. GEORGE RUNNER (Ret.)
First District, Lancaster

FIONA MA, CPA
Second District, San Francisco

JEROME E. HORTON
Third District, Los Angeles County

DIANE L. HARKEY
Fourth District, Orange County

BETTY T. YEE
State Controller

CYNTHIA BRIDGES
Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
March 25-26, 2015

PRELIMINARY RECORD OF BOARD ACTIONS

Wednesday, March 25, 2015

The following is a preliminary record of Board actions taken at the March 25-26, 2015, 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.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone Claudia (Madrigal) Lopez at 916-322-1931 or e-mail: Claudia.Lopez@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

Board Committee Meetings—Please see Page 12, O., Adoption of Board Committee Reports and Approval of Committee Actions, for voting results.

Board Meeting

Special Presentation

- Governor's Employee Safety Award

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

B. Corporate Franchise and Personal Income Tax Appeals Hearings

B1. Esther Korman, 680322

OFFICIAL

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

B2. Peter St. Geme and Polly Plumer St. Geme, 693089

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal granted.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	No

B3. ~~Joseph W. Valva and Marilyn K. Valva, 719017~~

B4. Johnnie F. Lau and Gay L. Lau, 739838

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. The Board ordered that the hearing be continued to a later date, granting the appellant 30 days to submit supporting documents, the Franchise Tax Board 30 days to respond, and the Appeals Division 30 days thereafter to review the parties' submissions and provide its recommendation to the Board.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

B5. Ehud Yuhjtman and Dalia Yuhjtman, 772960

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal granted.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

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- B6a. Rago Development Corporation, 735761
- B6b. Fredrick M. Wooster and Mary L. Wooster, 727483
- B6c. Paul H. Verriere and Patricia R. Verriere, 727493
- B6d. Michael J. Smith and Lynn M. Smith, 725834
- B6e. Louis Rago and June E. Rago, 725839
- B6f. Martin Bramante and Estate of Velia Bramante, 632713
- B6g. Frank Sabella, 633944
- B6h. Louis La Torre Living Family Trust, Louis La Torre Trustee, 633028

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<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' appeal granted.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

B7. Kamaldip S. Ghei, 796875

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

B8. ~~Thomas L. Wilson, 780908~~

C. Sales and Use Tax Appeals Hearing

These matters are scheduled for Thursday, March 26, 2015.

There are no items for the following matters:

- D. Special Taxes Appeals Hearings
- E. Property Tax Appeals Hearings

F. Public Hearing

F1. Proposed Adoption of Amendments to Regulation 1685.5,
Calculation of Estimated Use Tax - Use Tax Table

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board adopted amendments as published.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

G. Tax Program Nonappearance Matters – Consent**G1. Legal Appeals Matters**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
No final determination on sub-item 20.	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

- Hearing Notice Sent – No Response
 1. Nasser Abo Abdo, 595707 (EA)
 2. Hafid Alaoui, 588302 (EH)
 3. Abdulla Abdo Alnajar, 766851 (CH)
 4. Gilbert Mark Berhold, 536919 (KH)
 5. CBS Food Store, Inc., 576217 (DF)
 6. Celebrity Vault, Inc., 547194 (AC)
 7. Malin Dell'Amico, 529566 (AS)
 8. Grand Saz Global, Inc., 524911, 538316 (AS)
 9. Ralph Joseph Haas, 530183 (EH)
 10. Ben Kanter, 373937 (EH)
 11. Manh Van Le, 538190 (KH)
 12. Brian Charles Lutz, 635956 (EA)
 13. Mexico Bakery, Inc., 611420 (GH)
 14. McCall & Smith, LLC, 601096, 767949 (JH)
 15. David Everette McCall, 601100, 767947 (JH)
 16. Aris Manukian, 572575 (STF)
 17. Christopher Michael Paolini and Diane Carol Paolini, 586761 (EH)
 18. Heather Ann Perini, 529565 (AS)
 19. Rizza Marie Cancio Punzalan and Max Leung, 554317 (BH)
 20. ~~Rodriguez Enterprise, Inc., 566739 (FH)~~
 21. Adel Saman Safi, 589953 (EH)
 22. Vatthana Sirisouk, 610386 (JH)
 23. Mary Christiane Taylor, 609419 (AC)
 24. Jose Carmen Magallanes Velador, 608302 (AS)
 25. Mohammad Abdizadeh and William G. Morschauser, 490121 (STF)
 26. Peter Fong, 486373 (STF)
 27. LMS International, Inc., 609875 (STF)
- Petition for Release of Seized Property
 28. Sor Lo, 854778 (STF)
 29. Phong H. Phung, 855517 (STF)

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G2. Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

- Hearing Notice Sent – No Response
 1. Henry Liu and Marsha M. Valencia, 804856
 2. Shirley A. Warren and Chester L. Warren, 795262
 - 3a. David C. Williams, 780911
 - 3b. Rodney Walker, 779775
- Decisions
 4. Tristan Abbott and Lisa Abbott, 771805
 5. Kathy Bell, 812216
 6. Robert Brock and Megan Brock, 809851
 7. Capcom, U.S.A., Inc., 790662
 8. Jesus Castro, 605759
 9. Mary Rose Cruz, 766854
 10. Olusoji Fanoiki, 793925
 11. Julie L. Grau, 790543
 12. Christine Loughridge (Stouffer), 600512
 13. Chelsea Matthews, 795627
 14. Kevin Jay Myers, 809893
 15. Jung H. Park and Gabrea Park, 529805
 16. Fatoumata Sillah, 807766
 17. Michael Verheyden, 819031
- Petitions for Rehearing
 18. Shih Jung Bai and Claudia Y. Bai, 717459
 19. Daxius Gregory, 740006
 20. Andre Jackson, 741548

G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.

G4. Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

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- Redeterminations
 1. Sunway Floors, Inc., 625834 (BH)
 2. ACME Furniture Industry, Inc., 613312 (AP)
 3. Los Altos Meat Market, Inc., 790639 (EH)
- Denials of Claim for Refund
 4. Cardinal Health Solutions, Inc., 553663 (FH)
- Grant-One Day Interest Relief
 5. Norman’s Men & Boys, Inc., 856310 (AA)
 6. Megan Gutierrez, 856317 (GH)
 7. Aeroglide Corporation, 856313 (OH)
 8. A.P. Scott, Inc., 856311 (AR)
 9. Conergy, Inc., 856314 (OH)
 10. West Coast Professional Door, Inc., 856315 (JH)
 11. Peju Family Operating Partnership, LP, 856312 (JH)

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

- Credits and Cancellations
 1. Euro-Asian Furnishings, Inc., 854607 (EA)
 2. Auto America, Inc., 852859 (KH)
- Refunds
 3. Center Automotive, Inc., 773998 (AC)
 4. Trend Offset Printing Servs, Inc., 850070 (EA)
 5. Hoag Memorial Hosp. Presbyterian, 763898 (EA)
 6. Duralum Products, Inc., 850038 (KH)
 7. Veolia Transportation Maintenance & Infrastructure, 851486 (UT)
 8. BTE Equipment, LLC, 852841 (OH)
 9. Mansfield Oil Co. of Gainesville, Inc., 594152 (OH)
 10. Owens & Minor Distribution, Inc., 714319 (OH)
 11. Eplus Technology, Inc., 821903 (OH)
 12. Pacific Gas and Electric Company, 852681 (BH)
 13. American Airlines, Inc., 786560 (OH)
 14. United Healthcare Services, Inc., 607812 (OH)
 15. Lobel Financial Corporation, 851600 (EA)
 16. Schneider Electric Buildings, LLC, 852680 (OH)
 17. Cardinal Health Solutions, Inc., 553663 (FH)
 18. Carfinance Capital, LLC, 852226 (EA)

G6. Special Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

➤ Redeterminations

1. Chevron Marine Products, LLC, 567001 (STF)

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

➤ Credits and Cancellations

1. Convenience Retailers, LLC, 594156 (STF)

➤ Refunds

2. Larizadeh Properties, LLC, 591952, 596444, 636038, 727992, 758121 (STF)

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

➤ Decisions

1. Frances Diaz, 605995

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

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2. Camille Mahan, 785311

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

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
- 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

I1. Property Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Not participating

➤ Audits

1. Cabrillo Power I, LLC (1106) 'CF'
2. NRG Delta, LLC (1109) 'CF'
3. NRG California South LP – Ormond Beach (1115) 'CF'
4. NRG California South LP – Etiwanda (1116) 'CF'
5. High Desert Power Trust (1127) 'CF'
6. Sunrise Power Company, LLC (1137) 'CF'
7. Cybernet Communications, Inc., (7516) 'CF'
8. Telmex USA, LLC (7866) 'CF'
9. Ponderosa Cablevision (7894) 'CF'
10. Cable and Wireless Americas Operations, Inc. (8005) 'CF'
11. Vertex Telecom, Inc. (8057) 'CF'

➤ Roll Changes

12. 2011, 2012, 2013, and 2014 Board Rolls of State-Assessed Property 'CF'

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12. Offer in Compromise Recommendations

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

1. Donald James Chamberlin
2. Eric Anthony Guidice
3. Michael Hamid Hedayat
4. Dharmendra Kumar
- 5a. Thy Thi Le
- 5b. Phi Nam Nguyen
6. Alicia Gavino Paras
7. Pink Bridal & Lingerie, Inc.
8. Maria Esther Polack
9. V & G Collective

13. Local Tax Reallocation Matters
There are no items for this matter.

Chief Counsel Matters

The following items are scheduled for Thursday, March 26, 2015.

- J. Rulemaking

There are no items for the following matters:

- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

Administrative Session

The following matters are scheduled for Thursday, March 26, 2015.

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

Q. Closed Session

These matters are scheduled for Thursday, March 26, 2015.

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STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
March 25-26, 2015

PRELIMINARY RECORD OF BOARD ACTIONS

Thursday, March 26, 2015

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C. Sales and Use Tax Appeals Hearings

C1. Dora, LLC, 513022 (DF)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

~~C2a. Rohan and Sagar, Inc., 561882 (CH)~~

~~C2b. Sagar Emporium, Inc., 562126 (CH)~~

~~C3. Surjit Singh and Kanwalpreet Singh, 547502, 562417 (DF)~~

~~C4. Imran Mullick, 690128 (BH)~~

~~C5. Balwant Singh, 601072 (KH)~~

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Chief Counsel Matters**J. Rulemaking**

- J1. Petition to repeal Sales and Use Tax Regulation 1585, *Cellular Telephones, Pagers, and Other Wireless Telecommunication Devices*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board denied the petition as recommended by staff.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

Administrative Session**N. Consent Agenda**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
In addition, the Board adopted a resolution recognizing Women's History Month.	Ms. Harkey	Yes
No final determination on sub-item N3.	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

- N1. Retirement Resolutions
- Patricia A. Borden
 - Marilyn Byrne
 - Keith S. Chatprapachai
- N2. Approval of Board Meeting Minutes
- February 24-26, 2015
- ~~N3. Proposed Revisions to Compliance Policy and Procedures Manual (CPPM) Chapter 1, General~~
- N4. Proposed Revisions to Compliance Policy and Procedures Manual (CPPM) Chapter 6, *Closeouts and Clearances*, and Chapter 7, *Collections*
- N5. 2015-2018 Timber Advisory Committee Membership

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board deferred consideration to a later date.	Mr. Horton Ms. Harkey Mr. Runner Ms. Ma Ms. Yee/ Ms. Stowers	

O2. Customer Service and Administrative Efficiency Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein as reflected by the committee members' votes. For details see: www.boe.ca.gov/meetings/custsrv/custsrv15.htm	Mr. Horton Ms. Harkey Mr. Runner Ms. Ma Ms. Yee/ Ms. Stowers	Yes Yes Yes Yes Yes

O3. Property Tax Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein as reflected by the committee members' votes. For details see: www.boe.ca.gov/proptaxes/ptcwplan15.htm	Mr. Horton Ms. Harkey Mr. Runner Ms. Ma Ms. Yee/ Ms. Stowers	Yes Yes Yes Yes Yes

P. Other Administrative Matters**P1. Executive Director's Report**

1. 2014/15 State Employees Food Drive Results
2. CROS Project Update and Actions

There are no items for the following matters:

- P2. Chief Counsel Report
- P3. Sales and Use Tax Deputy Director's Report
- P4. Property and Special Taxes Deputy Director's Report

~~P5. Administration Deputy Director's Report~~

- ~~1. Inter-Con Security Systems, Inc., Contract Update~~

There are no items for the following matters:

- P6. Technology Deputy Director's Report
- P7. External Affairs Deputy Director's Report

Q. Closed Session

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