



STATE BOARD OF EQUALIZATION

50 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0000
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

SEN. GEORGE RUNNER (Ret.)
Second District, Lancaster

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

KRISTINE CAZADD
Executive Director

PROPERTY TAXES NONAPPEARANCE MATTERS

November 15, 2011
SACRAMENTO

NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

Private Railroad Car Roll Changes

"CF"

1. 2011 Private Railroad Roll

The items on this Not Subject To Contribution Disclosure Statute Nonappearance Calendar are not adjudicatory within the meaning of Government Code section 15626. They may be removed from the calendar for separate discussion and vote, and Members may contact the staff or a party regarding these matters without violating the law or invoking the disclosure requirements.

David J. Gau
Deputy Director
Property and Special Taxes

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

Christine Bisauta
Acting Assistant Chief Counsel
Tax and Fee Programs

Memorandum

To: Honorable Jerome E. Horton, Chairman
 Honorable Michelle Steel, Vice-Chair
 Honorable Betty T. Yee
 Senator George Runner
 Honorable John Chiang, State Controller

Date: October 7, 2011

STATE BOARD OF EQUALIZATION

BOARD APPROVED

At the November 15, 2011 Board Meeting

Diane G. Olson
 Diane G. Olson, Chief
 Board Proceedings Division

From: David J. Gau, Deputy Director
 Property and Special Taxes Department

Subject: **Private Railroad Car Roll Changes**

Attached, for your approval, are the seven corrections to the 2011 *Private Railroad Car Roll* as follows:

Roll Change Number	Company Number	Company Name and Correction Recap
11-01	558	Tamak Transportation Decrease the assessed value by \$13,782 and tax by \$152.57 to cancel the Tamak Transportation assessment. These costs were reported with the Transportation Equipment, LLC (5945) assessment.
11-02	618	TTX Company Decrease the assessed value by \$153,062 and tax by \$1,694.40 to reflect the removal of terminated and/or scrapped cars and to reduce the equivalent number of car days.
11-03	5709	BASF Corporation Decrease the assessed value by \$15,249 and tax by \$168.80 to reflect correction to "year built" entries for three tank cars which reduces the "per car value" of the assessed cars.
11-04	5945	Transportation Equipment, LLC Increase the assessed value by \$14,712 and tax by \$162.86 to reflect cars that were excluded from the original assessment.
11-05	6283	Southwest Rail Industries, Inc. Decrease the assessed value by \$2,037 and tax by \$22.55 to reflect the removal of cars included in the assessment in error.

Roll Change Number	Company Number	Company Name and Correction Recap
11-06	6384	Macquarie Rail Inc. Decrease the assessed value by \$90,957 and tax by \$1,006.89 to reflect the removal of cars included in the assessment in error.
11-07	6519	Renkert Oil LLC Decrease the assessed value by \$5,793 and tax by \$64.13 to cancel the Renkert Oil LLC assessment. These costs were reported with the Transportation Equipment, LLC (5945) assessment.

This item is scheduled for Board consideration on the November 15, 2011 Property Taxes Nonappearance Matters Not Subject to Contribution Disclosure Statute Agenda.

DJG:mg
Attachments

2011 PRIVATE RAILROAD CAR ROLL CORRECTION

Assessee #	Company Name	Reason for Change	INCREASE/(DECREASE)				
			Taxable Value	Assessed Value	Penalty	Total Assessment	Tax
0558	Tamak Transportation	Cars assessed to another assessee	(15,466)	(12,529)	(1,253)	(13,782)	(152.57)

	Number of Cars	Per Car Value	Taxable Value	Assessed Value @ 81.01%	Penalty	Total Assessment	Tax @1.107%
Corrected Assessment	-	-	-	-	-	-	-
Original Assessment	0.51	30,325	15,466	12,529	1,253	13,782	152.57
Increase(Decrease)	(0.51)		(15,466)	(12,529)	(1,253)	(13,782)	(152.57)

The cars of Tamak Transportation (558) were under the management of Transportation Equipment, LLC (5945) in calendar year 2010 and were not to be assessed to Tamak. Transportation Equipment reported Renkert's cars correctly for lien date 2011; however, staff failed to include Tamak's cars within Transportation Equipment assessment. The cars are now included in Transportation Equipment's assessment. This correction cancels the assessment for Tamak.

2011 PRIVATE RAILROAD CAR ROLL CORRECTION

Assessee #	Company Name	Reason for Change	INCREASE/(DECREASE)				
			Taxable Value	Assessed Value	Penalty	Total Assessment	Tax
0618	TTX Company	Car Day Adjustment	(188,942)	(153,062)	0	(153,062)	(1,694.40)
	Number of Cars	Per Car Value	Taxable Value	Assessed Value @ 81.01%	Penalty	Total Assessment	Tax @1.107%
Corrected Assessment	6,132.40	37,394	229,312,067	185,765,705	-	185,765,705	2,056,426.35
Original Assessment	6,145.08	37,347	229,501,009	185,918,767	-	185,918,767	2,058,120.75
Increase(Decrease)	(12.68)		(188,942)	(153,062)	-	(153,062)	(1,694.40)

Private rail cars were terminated in calendar year 2010; however, the terminated cars were inadvertently included within ending inventory for lien date 2011 causing the equivalent number of car days to be overstated. Correction of this error reduces the equivalent number of car days resulting in a decreased assessment.

2011 PRIVATE RAILROAD CAR ROLL CORRECTION

Assessee #	Company Name	Reason for Change	INCREASE/(DECREASE)				
			Taxable Value	Assessed Value	Penalty	Total Assessment	Tax
5709	BASF Corporation	Value Correction	(18,823)	(15,249)	0	(15,249)	(168.80)

	Number of Cars	Per Car Value	Taxable Value	Assessed Value @ 81.01%	Penalty	Total Assessment	Tax @1.107%
Corrected Assessment	36.70	32,693	1,199,836	971,987	-	971,987	10,759.90
Original Assessment	<u>36.70</u>	<u>33,206</u>	<u>1,218,659</u>	<u>987,236</u>	<u>-</u>	<u>987,236</u>	<u>10,928.70</u>
Increase(Decrease)	<u>-</u>	<u>-</u>	<u>(18,823)</u>	<u>(15,249)</u>	<u>-</u>	<u>(15,249)</u>	<u>(168.80)</u>

"Year Built" corrections were made for three tank cars, which reduced the "per car value" of the assessed cars.

2011 PRIVATE RAILROAD CAR ROLL CORRECTION

Assessee #	Company Name	Reason for Change	INCREASE/(DECREASE)				
			Taxable Value	Assessed Value	Penalty	Total Assessment	Tax
5945	Transportation Equipment, LLC	Value Correction	18,161	14,712	-	14,712	162.86
	Number of Cars	Per Car Value	Taxable Value	Assessed Value @ 81.01%	Penalty	Total Assessment	Tax @ 1.107%
Corrected Assessment	56.93	26,757	1,523,263	1,233,995	-	1,233,995	13,660.32
Original Assessment	56.29	26,738	1,505,102	1,219,283	-	1,219,283	13,497.46
Increase(Decrease)	0.64		18,161	14,712	-	14,712	162.86

Tamak Transportation (558) and Renkert Oil LLC (6519) cars were excluded from Transportation's assessment for 2011 in error. Correction of this error increased the assessed value.

2011 PRIVATE RAILROAD CAR ROLL CORRECTION

Assessee #	Company Name	Reason for Change	INCREASE/(DECREASE)				
			Taxable Value	Assessed Value	Penalty	Total Assessment	Tax
6283	Southwest Rail Industries, Inc.	Car Day Adjustment	(2,514)	(2,037)	0	(2,037)	(22.55)

	Number of Cars	Per Car Value	Taxable Value	Assessed Value @ 81.01%	Penalty	Total Assessment	Tax @ 1.107%
Corrected Assessment	84.62	24,845	2,102,380	1,703,138	-	1,703,138	18,853.74
Original Assessment	84.72	24,845	2,104,894	1,705,175	-	1,705,175	18,876.29
Increase(Decrease)	(0.10)		(2,514)	(2,037)	-	(2,037)	(22.55)

Cars belonging to Asphalt Products & Consulting Inc. (DLDX) were included within Southwest's (6283) assessment in error. Recalculating the value after removing Asphalt railcars resulted in a decreased assessment.

2011 PRIVATE RAILROAD CAR ROLL CORRECTION

Assessee #	Company Name	Reason for Change	INCREASE/(DECREASE)				
			Taxable Value	Assessed Value	Penalty	Total Assessment	Tax
6519	Renkert Oil LLC	Cars assessed to another assessee	(6,500)	(5,266)	(527)	(5,793)	(64.13)

	Number of Cars	Per Car Value	Taxable Value	Assessed Value @ 81.01%	Penalty	Total Assessment	Tax @1.107%
Corrected Assessment	-	-	-	-	-	-	-
Original Assessment	0.13	50,000	6,500	5,266	527	5,793	64.13
Increase(Decrease)	(0.13)		(6,500)	(5,266)	(527)	(5,793)	(64.13)

Transportation Equipment (5945) reported Renkert's cars correctly for lien date 2011; however, staff failed to include Renkert's cars within Transportation Equipment assessment. The cars are now included in Transportation Equipment's assessment. This correction cancels the assessment for Renkert.