



STATE BOARD OF EQUALIZATION  
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Third District, Long Beach

JOHN CHIANG  
Fourth District, Los Angeles

STEVE WESTLY  
State Controller, Sacramento

RAMON J. HIRSIG  
Executive Director

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

**Tuesday, March 22, 2005**

Agenda items occur sequentially. When circumstances warrant, the Chair may modify the order of the items on the agenda.

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

**LEGISLATIVE COMMITTEE ..... Ms. Yee, Chairwoman**

Discussion of the following items:

1. AB 1026 (J. Horton): Administration of Tax: Tax Collection Agencies
2. AB 1615 (Klehs): Governmental Reorganization: Tax Functions
3. ACA 14 (DeVore): California Tax Commission
4. SB 216 (Dutton): Governmental Reorganization: Tax Functions
5. SCA 9 (Ducheny): California Tax Commission

**PROPERTY TAX COMMITTEE ..... Mr. Parrish, Chairman**

1. Consideration of Proposed Property Tax Rule 474, *Petroleum Refining Properties*
2. Treatment of Emission Reduction Credits as a Component of the Cost Approach in the Valuation of State-Assessed Electric Generating Facilities

**BOARD MEETING\*\* (convenes upon adjournment of the Board Committee Meetings)**

**ORAL HEARINGS**

**A. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS**

- A1 Hocopar, Inc. & Consolidated Subsidiaries, 223807  
 For Appellant: Alan J. Pinner, Attorney  
 Aaron M. Valenti, Attorney  
 For Franchise Tax Board: Michael Smalley, Tax Counsel

- A2 John E. and Sharon A. Tyson, 221998  
For Appellant: Dwayne M. Horii, Attorney  
Hilary C. Kingston, Attorney  
Eric Miethke, Attorney  
John E. Tyson, Taxpayer  
For Franchise Tax Board: Ron Babcock, Tax Counsel
- A3 Alan F. and Rita K. Shugart, 221743  
For Claimant: Christopher A. Whitney, CPA  
For Franchise Tax Board: Jozel Brunett, Tax Counsel
- ~~A4 George and Judy Georgiou, 254030  
For Appellant: Russell B. Longaway, Attorney  
For Franchise Tax Board: Shane Hofeling, Tax Counsel~~
- A5 Paul and Kathleen Sarkaria, 266328  
For Appellant: Tom Collins, CPA  
For Franchise Tax Board: Renel Sapiandante, Tax Counsel
- A6 John David Lundberg, 255354  
For Appellant: John David Lundberg, Taxpayer  
For Franchise Tax Board: Diane Ewing, Tax Counsel
- A7 Douglas C. Roberts, 264021  
For Appellant: Douglas C. Roberts, Taxpayer  
For Franchise Tax Board: Christine Roloff, Tax Counsel

## **B. SALES AND USE TAX APPEALS HEARINGS**

- B1 Prestige Stations, Inc., 181580, 264789  
For Petitioner: Eric Miethke, Attorney  
Ronald E. Travis, Representative  
For Department: Randy Ferris, Tax Counsel
- ~~B2 Barr Mullin, Inc., 82997  
For Petitioner: Paul Nelson, Representative  
For Department: Chris Schutz, Tax Counsel~~
- B3 Atlantic Richfield Company, 181606  
For Petitioner: Ronald E. Travis, Representative  
For Department: Chris Schutz, Tax Counsel
- B4 Reel Tape Corporation, 166633  
For Petitioner: Stan Braidman, Taxpayer  
Joe Leifer, Consultant  
For Department: Kevin Hanks, Hearing Representative

- B5 International Investment Properties, Inc., 144677  
For Petitioner: Dale Grewal, Taxpayer  
V.S. Grewal, CPA  
For Department: Kevin Hanks, Hearing Representative
- ~~B6 Mohammad Wahid Nayibkhal and Arian Baraki, 235824  
For Petitioner: Arian Baraki, Taxpayer  
For Department: Anthony Epolite, Tax Counsel~~
- B7 Jerry Rosenbusch, 215133  
For Petitioner: William Dysart, Representative  
For Department: Jeffrey Graybill, Tax Counsel
- B8 Herman V. and Catherine E. DeVera, 216621  
For Petitioner: Herman V. DeVera, M.D., Taxpayer  
For Department: Jeffrey Graybill, Tax Counsel
- ~~B9 Tri-Air, Inc., 240935  
For Petitioner: Charles L. Robinson, Taxpayer  
Bill Fanucchi, CPA  
For Department: Kevin Hanks, Hearing Representative~~
- B10 Templock Enterprises, LLC, 255362  
For Petitioner: Abe Golomb, Representative  
For Department: Randy Ferris, Tax Counsel
- B11 Telmax Communications Corporation, 250368  
For Petitioner: Nai-Yu Pai, CPA  
For Department: Kevin Hanks, Hearing Representative
- B12 Thanhtam Thi Pham, 169954  
For Petitioner: Peter Liederman, Attorney  
Lawrence Ramirez, Attorney  
Helen Chang, CPA  
Trong Nguyen, Accountant  
Chi Pham, Manager  
Thunh Tam Pham, Taxpayer  
For Department: Kevin Hanks, Hearing Representative

**F. PUBLIC HEARING****F1 Adoption of Proposed Special Taxes Regulations 1160, 1214, 1331.2, 1425, 2232.1, 2333, 2425, 2520, 3005, 3203, 3303, 3503, 4031.1, and 4905 pertaining to Electronic Funds Transfer ..... Ms. Thurston**

Proposed regulation regarding requirements for Electronic Funds Transfer reporting, (Regulation 4905, *Electronic Funds Transfer*), and proposed regulations to cross refer tax and fee payers to proposed Regulation 4905 for information on payments by Electronic Funds Transfer (Regulations 1160, 1331.2, 4031.1, 2520, 2333, 2425, 3005, 3303, 2232.1, 1214, 3203, 3503, and 1425, *Payment by Electronic Funds Transfer*).

**G. TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT****G1 Legal Appeals Matters .....Mr. Levine**

- Petitions for Rehearing
  1. ABC NJ, Inc., 150661
  2. Bosch Auto Center, Inc., 150660
- Hearing Notice Sent – No Response
  3. Bentec Medical, 223786
  4. Albert Mark Garcia, 258850

**G2 Franchise and Income Tax Matters ..... Ms. Stanislaus**

- Decisions
  1. Saun Hwa Baek, 266621
  2. Jack Clemes, 263263
  3. Christopher Craddock and Glenda Heugh, 260886
  - ~~4. Azer B. Daut, 263189~~
  5. Thom Espinosa, 254902
  6. Debra Ann Miller, 255136
  7. Patricia Ann Thompson, 264060
- Petitions for Rehearing
  8. Leonard M. and Merri Jean Ross, 203280
  9. Roy Eugene Tuckman, 245871

**G3 Homeowner and Renter Property Tax Assistance Matters ..... Ms. Stanislaus**

- Decisions
  1. Pamela Selahvarzi, 268777
  2. Carter Spikes, 284183

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

- Redeterminations
  1. Long Beach Cable, Inc., 138564
  2. Electronics for Imaging, Inc., 263003
  3. Costco Wholesale Membership Company, 214651

- Relief of Penalty
  4. Pacific Ford, Inc., 296624
  5. Sun Microsystems, Inc., 296728
- Denials of Claims for Refund
  6. Schmid Insulation Contractors, Inc., 297606
  7. Kimberly-Clark Worldwide, Inc., 296563
  8. Reuben David Chudy, 234699

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

- Credits and Cancellations
  1. Powell Electrical Manufacturing Company, 297871
  2. Essentially Yours Industry Corporation, 297552
- Refunds
  3. Warner Brothers Records, Inc., 296452
  4. Los Robles Regional Medical Center, 254857, 262505
  5. Schmid Insulation Contractors, Inc., 213933
  6. Stanford University, 290059
  7. Cypress Semiconductor Corporation, 185468
  8. Buth-Na-Bodhaige, Inc., 252760
  9. Mercedes-Benz USA, LLC, 295414
  10. Kimberly-Clark Worldwide, Inc., 284746
  11. O’Gara Coach Company, LLC, 295737
  12. RMC Pacific Materials, Inc., 295619
  13. TV Magic, Inc., 288515
  14. Delaware Mitchell International, Inc., 261315
  15. Tutor-Saliba Corporation, 296611

**G6 Special Taxes Matters ..... Mr. Gau**

- Redeterminations
  1. Home Depot U.S.A., Inc., 261591
  2. Home Depot U.S.A., Inc., 261622

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

- Refunds
  1. Home Depot, U.S.A., Inc., 240279
  2. Americo Financial Life & Annuity Insurance, 217326 – “CF”

**G8 Property Tax Matters**

*THERE ARE NO ITEMS FOR THIS MATTER*

**H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY****H1 Legal Appeals Matters .....Mr. Levine**

- Petition for Rehearing
  1. David M. Golumbic, 216561
- Hearing Notice Sent – No Response
  2. ~~Harjinder S. Birdi, 215318~~
- Case Heard But Not Decided
  3. James Harper, 240351

**H2 Franchise and Income Tax Matters ..... Ms. Stanislaus**

- Decisions
  1. Elizabeth Montes, 224954  
Dennis Arthur Speldrick, 225542
  2. Richard and Lori Randall, 260104
  3. Susan Lynne Sabin, 260586
- Petition for Rehearing
  4. James and Jean A. Bagley, 217274

**H3 Homeowner and Renter Property Tax Assistance Matters**  
*THERE ARE NO ITEMS FOR THIS MATTER***H4 Sales and Use Taxes Matters ..... Ms. Henry**

- Relief of Penalty
  1. Valero Marketing & Supply Company, 286662
  2. South Bay Ford, Inc., 286141
- Denial of Claim for Refund
  3. Centellax, Inc., 250575

**H5 Sales and Use Taxes Matters – Credits, Cancellations,  
and Refunds**  
*THERE ARE NO ITEMS FOR THIS MATTER***H6 Special Taxes Matters**  
*THERE ARE NO ITEMS FOR THIS MATTER***H7 Special Taxes Matters – Credits, Cancellations, and Refunds**  
*THERE ARE NO ITEMS FOR THIS MATTER***H8 Property Tax Matters**  
*THERE ARE NO ITEMS FOR THIS MATTER*

**I. TAX PROGRAM NONAPPEARANCE MATTERS - NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE**

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

- Audits
  1. Foresthill Telephone Company (235) – “CF”
  2. CALNEV Pipe Line, LLC (402) – “CF”
  3. Global Tel\*Link Corporation (7988) – “CF”
- Board Roll Changes
  4. 2003 and 2004 State-Assesses Property Rolls – “CF”

**CHIEF COUNSEL MATTERS**

**J. Rulemaking**

**Administration .....Ms. Ograd**

J1 Petition to amend the Rules of Practice regarding: (1) the granting of additional time for oral hearings in complex or significant cases; (2) the order of oral hearings on the Board’s agenda; and (3) the publishing of Board Opinions.

**Sales and Use Tax .....Ms. Thurston**

J2 Petitions to Amend or Repeal subdivision (h), “Buying Companies-General” of Sales and Use Tax Regulation 1699, Permits Attachment 1 and Attachment

**K. Business Taxes**

*THERE ARE NO ITEMS FOR THIS MATTER*

**L. Property Tax**

*THERE ARE NO ITEMS FOR THIS MATTER*

**M. Other Chief Counsel Matters**

*THERE ARE NO ITEMS FOR THIS MATTER*

**ADMINISTRATIVE SESSION**

**N. Consent Agenda ..... Ms. Pellegrini**

**N1 Approval of Board Employee Retirement Resolutions**

- Robert Sayre
- Janet M. Tankersley
- Carl E. Vandrie
- Rayvella M. Zentner

**N2 Approval of Board Meeting Minutes**

- November 17, 2004
- December 14-15, 2004
- January 25, 2005

**N3 Approval of Board Meeting Date Changes**

- Change October 18 and 19 (Sacramento) to October 25 and 26
- Change November 8 and 9 (Sacramento) to November 15 & 16
- Change November 16 (San Diego) to November 8

**O. Board Committee Report**

O1 Property Tax Committee

**P. Other Administrative Matters**

**P1 Executive Director's Report**.....**Mr. Hirsig**  
 Executive Director's opportunity to report on matters of interest to the Board.

1. Streamlined Sales Tax Project Update

**P2 Contracts Over \$1 Million**..... **Ms. Zentner**

**P3 Finance Letters** ..... **Ms. Zentner**

1. Special Tax Jurisdictions Workload Increase

**ANNOUNCEMENT OF CLOSED SESSION**..... **Ms. Pellegrini**

**Q. Closed Session**

- Q1 Discussion and approval of staff recommendations regarding settlement cases (R&T Code § 6901, 7093.5, 30459.1 and 50156.11)
- Q2 Pending litigation: *barnesandnoble.com llc v. State Board of Equalization* Santa Clara County Superior Court Case No. 104CV032426 (Government Code Section 11126(e))
- Q3 Discussion and action on personnel matters (Govt. Code § 11126(a))

**OPEN SESSION****ADJOURN**

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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.

If substantial revisions to the published text of the regulations are approved at the hearing, the regulations will be re-published for a new hearing date. If only revisions sufficiently related to the published text of the regulations are approved, a notice containing these revisions will be mailed to those persons who commented orally or in writing or who asked to be informed of such revisions. The notice will be mailed at least 15 days prior to the scheduled Board adoption of the regulations to allow time for additional comments.

Agenda items occur sequentially. When circumstances warrant, the Chair 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.