



STATE BOARD OF EQUALIZATION

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Executive Director

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

Tuesday, November 15, 2005

Agenda items occur sequentially. When circumstances warrant, the Board's Chair, Mr. Chiang, may modify the order of the items on the agenda.

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

SPECIAL PRESENTATIONS

Superior Accomplishment Award Program

ORAL HEARINGS

A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARING

(Contribution Disclosure forms required pursuant to Govt. Code § 15626)

A1 Stephen Osbun, 308369
For Claimant: Stephen Osbun, Taxpayer
For Franchise Tax Board: Diane Ewing, Tax Counsel

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS

(Contribution Disclosure forms required pursuant to Govt. Code § 15626)

B1 Bipin R. Patel and Anita B. Patel, 287996
For Appellant: Bipin R. Patel, Taxpayer
For Franchise Tax Board: Diane Ewing, Tax Counsel

B2 Harinder S. Brar, 303956
For Claimant: Harinder S. Brar
For Franchise Tax Board: Jane Perez, Tax Counsel

B3 Lion Clinic, Inc., Danny Quan, Transferee, 289893
For Appellant: Joany Yuin, Agent
Michael Nguyen, Agent
For Franchise Tax Board: Dennis J. Haase, Tax Counsel

B4 Patricia Tyler-Griffis, 281239
 For Appellant: William E. Taggart, Jr., Attorney
 For Franchise Tax Board: Mark McEvilly, Tax Counsel

C. SALES AND USE TAX APPEALS HEARINGS

(Contribution Disclosure forms required pursuant to Govt. Code § 15626)

C1 Mark Andrew Graf, 221081 (UT)
 For Petitioner: Paul Nelson, Representative
 For Department: Carla Caruso, Tax Counsel

C2 Basics Etc. Corporation, 244380 (EH)
 For Petitioner: Abe Golomb, Representative
 John Kupka, Taxpayer
 For Department: Kevin Hanks, Hearing Representative

C3 Katherine A. Kruss, 212599 (CH)
 For Petitioner: Robert L. Goldstein, Attorney
 Katherine A. Kruss, Taxpayer
 Peggy McCormick, Witness
 Sally Erdman, Witness
 Wendy Tong, Witness
 For Department: Christine Bisauta, Tax Counsel

C4 Chris T. Attkisson and Loretta P. Attkisson, 235821 (KHO)
 For Petitioner: Chris Attkisson, Taxpayer
 Loretta Attkisson, Taxpayer
 For Department: Kevin Hanks, Hearing Representative

BOARD COMMITTEE MEETINGS (convene at 1:30 p.m.)**

**CUSTOMER SERVICES ANDMr. Leonard, Committee Chair
 ADMINISTRATIVE EFFICIENCY COMMITTEE**

1. Taxpayers' Rights Advocate's – 2004-05 Property and Business Taxes Annual Report

BUSINESS TAXES COMMITTEE.....Mr. Chiang, Committee Chair

1. Proposed revisions to Regulation 1699, *Permit*, regarding the issuance of seller's permits to "buying companies."

PROPERTY TAX COMMITTEE..... Mr. Parrish, Committee Chair

1. Proposed *Timber and Timberland Values Manual*

BOARD MEETING* (convenes upon adjournment of the Board Committee Meetings)**C. SALES AND USE TAX APPEALS HEARINGS**

(Contribution Disclosure forms required pursuant to Govt. Code § 15626)

- C5 Nelson Shane Garrett and Maxim Khokhlov, 235401 (AS)
 For Petitioner: Robert E. Cendejas, Attorney
 Nelson Shane Garrett, Taxpayer
 Maxim Khokhlov, Taxpayer
 For Department: Bradley Heller, Tax Counsel

E. PROPERTY TAX APPEALS HEARINGS

(Contribution Disclosure forms required pursuant to Govt. Code § 15626)

- E1 Broadwing Communications, LLC (7630), 314492 – “CF”
 For Petitioner: Peter W. Hladek, Representative
 For Department: Dana Flanagan-McBeth, Tax Counsel
- E2 Alpine PCS, Inc. (2746), 316099 – “CF”
 For Petitioner: Michael Neil Gendelman, Attorney
 For Department: Mariam Baxley, Tax Counsel
- E3 ICG Communications, Inc., (2462), 316493, 318404 – “CF”
 For Petitioner: Appearance Waived
 For Department: Sophia Chung, Tax Counsel

F. PUBLIC HEARINGS**F1 Proposed Amendments to Sales and Use Tax Regulation 1699, Permits Ms. Stanislaus**

Current law provides that a seller’s permit shall not be issued to a retailer’s place of business where the retailer merely stores tangible personal property and which customers do not customarily visit for the purpose of making purchases, but at least one permit must be held by every person maintaining stocks of merchandise in this state for sale. Regulation 1699, *Permits*, is proposed to be amended to interpret, implement, and make specific Revenue and Taxation Code section 6066. Amendments are proposed to provide that when a retailer negotiates sales out-of-state, but the goods are shipped from a stock of goods owned by the retailer in this state, a permit is required for the location of the stock of goods.

F2 Proposed Amendments to Sales and Use Tax Regulation 1802, Place of Sale and Use for Purposes of Bradley-Burns Uniform Local Sales and Use Taxes Ms. Stanislaus

Regulation 1802, *Place of Sale and Use for Purposes of Bradley-Burns Uniform Local Sales and Use Taxes*, is proposed to be amended to interpret, implement and make specific Revenue and Taxation Code section 7202. Currently, Regulation 1802 provides that when a retailer has no sales offices in this state but fulfills out-of-state orders from a stock of goods located in this state, the place of sale is the location of the stock of goods. Amendments are proposed to provide that when a retailer negotiates sales out-of-state but the goods are shipped from a stock of goods owned by the retailer in this state, the sales are consummated at the location of the stock of goods and the local tax revenue derived thereby is to be distributed directly to that location whether or not the retailer has registered business locations in this state.

F3 Proposed Amendments to Cigarette and Tobacco Products Tax Regulations to Conform to New Statues Ms. Stanislaus

Regulation 4055, *Where Purchased; Distributors' Discount*.
 Regulation 4056, *Units of Sale; Minimum Sales*.
 Regulation 4057, *Cash Sales of Tax Stamps or Meter Register Settings*.
 Regulation 4058, *Application for Credit Purchases*.
 Regulation 4059, *Authorization for Credit Purchases*.
 Regulation 4060, *Payment for Credit Purchases*.
 Regulation 4061, *Unused Stamps and Unused Meter Settings*.

The proposed amendments conform the regulations to Senate Bill (SB) 1701 (Ch. 881, Stats. 2002) and Assembly Bill (AB) 1666 (Ch. 867, Stats. 2003). The bills update the method and manner in which the new cigarette tax stamps are to be purchased, affixed to packages of cigarettes, and cancelled as required by SB 1701 and specify security and reporting requirements for cigarette or tobacco products distributors electing to make payments on a twice monthly basis as required by AB 1666.

G. TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT
(Contribution Disclosure forms not required pursuant to Govt. Code § 15626)

G1 Legal Appeals MattersMr. Levine

- Petition for Rehearing
 1. Nortel Networks, Inc., 150425 (OHB)
- Hearing Notice Sent – No Response
 2. ATS Systems California, Inc., 225017, 255361 (CH)
 3. Ardeshir M. Behbahany, 241390, 254661 (GH)
 4. Richard Steinbaum, 246689 (FHB)
 5. Picomedia, Inc., 265931 (CH)

G2 Franchise and Income Tax Matters..... Mr. Schreiter

- Decisions
 1. Darnet Adams, 283986
 2. Charles Carney and Jennifer Carney, 289996
 3. Patricia J. Ferraro, 299111
 4. Michael James Galotta, 301574
 5. Norma Jean Cattle Company, 303567
 6. John M. Payne, 290261
 7. Susan L. Rankin, 293470
 8. Loretta Strachowski, 303448
 9. Darrel Alan Travis, 289912
 10. James Wambach and Maria Wambach, 289999
- Petition for Rehearing
 11. Elizabeth Montes, 224954
Dennis A. Speldrick, 225542

G3 Homeowner and Renter Property Tax Assistance Matters Mr. Schreiter

- Decisions
 1. Walter L. Collins, 306359
 2. June Dizon, 295491
 3. Martin Fahey, 293043
 4. Nahid Ghodsi, 293052
 5. Eve Iversen, 298734
 6. Joseph L. Johnston, 289024
 7. Tricia Mayfield, 296203
 8. Virginia P. Palmer, 300360
 9. Aneska Rasheed, 306996
 10. Leticia Simmons, 295178
 11. C. R. Stuart, 307422
 12. Lisa Torquato (Deceased), 300804
 13. Sandra Ruth Torres, 309273

G4 Sales and Use Taxes Matters Ms. Henry

- Redeterminations
 1. OCE North America, Inc., 265564 (OHA)
 2. Air Liquide America Corporation, 268170 (OHC)
 3. Baker Process, Inc., 285900 (OHC)
 4. Peak Technologies, Inc., 269582 (OHB)
 5. Kim Kea Ov, 198154 (EA)
 6. Long Khieng Ta, 198153 (EA)
 7. Jian Torkan, 306542 (EH)
 8. Jesse Pinedo, 314405 (FHB)
 9. JVC Americas Corporation, 293203 (OHB)
 10. Gosiger West, LLC, 264208 (AS)
 11. VF Imagewear (West), Inc., 307258 (OHB)
- Denials of Claims for Refund
 12. Fujitec America, Inc., 327447 (OHA)
 13. Harold F. Schuetz Enterprises, Inc., 89000366890 (ARH)

14. Load King Manufacturing Company, 253678 (OHC)
15. Chevrolet Motor Division, 326337 (OHA)
16. Anderson Industrial Scaffolding Service, Inc., 259711 (OHC)

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

- Credits and Cancellations
 1. Sacramento Regional Transit District, 326332 (KH)
 2. TABC, Inc., 307881 (AA)
 3. Jendham, Inc., 325741 (FHB)
 4. QAM, Inc., 265138 (OHB)
- Refunds
 5. Fujitec America, Inc., 250024 (OHA)
 6. Three D Systems, Inc., 288950 (AR)
 7. Brown & Sharpe Manufacturing Company, 287645 (OHB)
 8. Viewsonic Corporation, 300144 (AP)
 9. Alta Equipment/Land Leasing Company, Inc., 327466 (BH)
 10. Peterson Tractor Company, 314679 (CH)
 11. BEI Sensors & Motion Systems Company, Inc., 304481 (AC)
 12. Compuware Corporation, 262567 (OHA)
 13. Datex-Ohmeda, Inc., 313857 (OHA)
 14. Chevrolet Motor Division, 315422 (OHA)
 15. Household Retail Service, Inc., 103973 (OHA)
 16. Mercedes-Benz USA, LLC, 314036 (KH)
 17. Anderson Video Company, 327459 (AC)
 18. Lantern Communications, Inc., 245039 (GH)
 19. Opvista, Inc., 258690 (EAA)
 20. The Creative Works, 244817 (EAA)
 21. PDG Hightower, Inc., 315666 (FHB)
 22. Callaway Golf Sales Company, 318511 (FHB)
 23. Capgemini Technologies, LLC, 289304 (OHA)
 24. Biomarin Pharmaceutical, Inc., 261308 (JH)
 25. Cureline, Inc., 305388 (BH)
 26. Heritage Community Credit Union, 315363 (KH)
 27. Frank Guidace, 326338 (GH)

G6 Special Taxes Matters Mr. Gau

- Redetermination
 1. Fontana Center Trust, 311589 (MT)

G7 Special Taxes Matters – Credits, Cancellations, and Refunds
THERE ARE NO ITEMS FOR THIS MATTER

G8 Property Tax Matters..... Mr. Gau

- Petitions for Reassessment of Unitary Value
 1. Southern California Water Company (101), 315703 – “CF”
 2. Pacific Pipeline System, LLC (486), 316491 – “CF”
- Petitions for Penalty Abatement on Unitary Value
 3. Allstate Communications, Inc. (8022), 314764 – “CF”
 4. Blue Casa Communications, Inc. (8027), 314766 – “CF”

G9 Cigarette License Fee Matters

THERE ARE NO ITEMS FOR THIS MATTER

G10 Legal Appeals Property Tax Matters Mr. Lambert

- Petitions for Reassessment of Unitary Value
 1. Qwest Communications Corporation (2463), 316106 – “CF”
 2. Level 3 Communications, LLC (7761), 315515 – “CF”
- Petition for Reassessment and Penalty Abatement on Unitary Value
 3. BT Americas, Inc. (7758), 315653 – “CF”

H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY

(Contribution Disclosure forms required pursuant to Govt. Code § 15626)

H1 Legal Appeals Matters

THERE ARE NO ITEMS FOR THIS MATTER

H2 Franchise and Income Tax Matters Mr. Schreiter

- Opinion
 1. Robert E. Wesley, 262544
Jerry J. Couchman, 281854

H3 Homeowner and Renter Property Tax Assistance Matters

THERE ARE NO ITEMS FOR THIS MATTER

H4 Sales and Use Taxes Matters

THERE ARE NO ITEMS FOR THIS MATTER

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

Ms. Henry

- Credit and Cancellation
 1. Heang Yu Heng Jewelry, Inc., 325852 (AA)

H6 Special Taxes Matters Mr. Gau

- Denial of Claim for Refund
 1. Ultramar, Inc., 281957 (MT) – “CF”

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

H9 Cigarette License Fee Matters
THERE ARE NO ITEMS FOR THIS MATTER

H10 Legal Appeals Property Tax Matters
THERE ARE NO ITEMS FOR THIS MATTER

I. TAX PROGRAM NONAPPEARANCE MATTERS
(Contribution Disclosure forms not required pursuant to Govt. Code § 15626)

I1 Property Taxes Matters
THERE ARE NO ITEMS FOR THIS MATTER

I2 Offers-in-Compromise Recommendations
THERE ARE NO ITEMS FOR THIS MATTER

CHIEF COUNSEL MATTERS

J. Rulemaking
THERE ARE NO ITEMS FOR THIS MATTER

K. Business Taxes
THERE ARE NO ITEMS FOR THIS MATTER

L. Property Taxes
THERE ARE NO ITEMS FOR THIS MATTER

M. Other Chief Counsel Matters
M1 Update on Limited Peace Officer Status.....Ms. Cazadd

ADMINISTRATIVE SESSION

N. Consent Agenda..... Ms. Pellegrini
N1 Effects of Proposition 10 on Cigarette and Tobacco Products Consumption
N2 2006 Timberland Production Zone Values
N3 Assessors' Handbook Section 531, Residential Building Costs

O. Approval of Board Committee Minutes
O1 Customer Services and Administrative Efficiency Committee
O2 Business Taxes Committee
O3 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. Strategic Plan Update
- 2. Succession Planning Update
- 3. Electronic Services Update
- 4. Cigarette Tax Stamp Update
- 5. Pro Bono Legal Assistance Program Update

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 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 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.

** Public comment on any committee agenda item will be accepted at the beginning of the committee 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.

The hearing location is accessible to the disabled. If you require special assistance, please contact Cathy Stroh at (916) 324-2599 or e-mail cathy.stroh@boe.ca.gov to make special arrangements.