



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA
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BETTY T. YEE
Acting Member
First District, San Francisco

BILL LEONARD
Second District, Sacramento/Ontario

CLAUDE PARRISH
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, Sacramento
NOTICE AND AGENDA**

Wednesday, May 17, 2006

- Board Meeting Convenes at 9:30 a.m.***
- Board Committee Meeting Convenes after the State Assessed Properties Value Setting****
- Board Meeting Convenes upon Adjournment of the Board Committee Meeting***

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 – Room 121

BOARD MEMBER ANNUAL PHOTOGRAPH

STATE ASSESSED PROPERTIES VALUE SETTING

Property Tax Matter - “CF” Mr. Siu
Board sets unitary values of state-assessed properties annually, on or before May 31. The Board is required to value and assess all the taxable property within the state that is to be assessed by it, pursuant to section 19 of Article XIII of the Constitution and any legislative authorization thereunder.

BOARD COMMITTEE MEETING – Room 122

LEGISLATIVE COMMITTEE Ms. Yee, Committee Chair

Business Taxes

1. Streamlined Sales Tax Project (SSTP)
 - Reports by Board Members on results of meetings held with California SSTP Board of Governance appointing authorities and Director of the Department of Finance.

- Report by Executive Director on status of the Multistate Tax Commission's willingness to routinely monitor and report to the Board on the Streamlined Sales Tax Project and associated State and Local Advisory Counsel Meetings.

BOARD MEETING – Room 121

ORAL HEARINGS

A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARINGS

There are no items for this matter.

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS

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

B1. Dante S. Detorres, 318123

For Petitioner: Dante S. Detorres, Taxpayer

For Franchise Tax Board: Suzanne Small, Tax Counsel

B2. R. Lyle Van Norman, 313303

For Petitioner: R. Lyle Van Norman, Taxpayer

For Franchise Tax Board: Suzanne Small, Tax Counsel

C. SALES AND USE TAX APPEALS HEARINGS

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

C1. Litton Systems, Inc., 260932, 261345 (AC)

For Petitioner: Joseph A. Vinatieri, Attorney

Robert F. Yetter, Participant

For Department: Sharon Jarvis, Tax Counsel

~~C2. Pafinco, 217918 (EA)~~

~~For Petitioner: Cary C. Boyden, Attorney~~

~~Patrick Shannon, Attorney~~

~~Bette Kerhoulas, Taxpayer~~

~~For Department: Bradley Heller, Tax Counsel~~

C3. Stelios John Tsagris, 141853 (CH)

For Petitioner: Stelios Tsagris, Taxpayer

For Department: Kevin Hanks, Hearing Representative

C4. P.J. Helicopters, Inc., 224188 (UT)

For Petitioner: Joseph Micallef, Representative

For Department: Sharon Jarvis, Tax Counsel

5. Darreen Carr-Trujillo, 311986
6. Romulo R. Dioquino and Dalisay S. Dioquino, 310563
7. Pete Durand, 311154
8. Robert Elliot and Marilyn L. Elliot, 310555
9. Foster Poultry Farms, 268417
Norma F. Maddy and Estate of Kenneth L. Maddy, 268429
Estate of Thomas Foster (deceased) and Julie Foster and Trevor Foster, 268418
George Presnell Foster and Suzanne Foster, 268431
10. General Electronics Applications, Inc., 313946
11. Reginald S. Gonzales, 309717
12. The Greystone Group, Inc., 311614
13. Vardan Hovanesian, 287704
14. William L. Hugaboom, 312749
15. Jeffrey F. January, 311661
16. Walter T. Jones and Leona F. Jones, 288000
17. Conail C. Kwok, 330291
18. James T. McGuire and Karin H. McGuire, 313123
19. Kimberly A. McVicar, 329700
20. Mockingbird Partners, LLC, 306061
21. Steven R. Null, 312815
22. Vicky Palaganas, 316294
23. Alfred R. Penn, 315199
24. Lori Pridemore, 315439
25. Melvin A. Vides, 310520
26. Tsun Yeung, 304846
27. Nasreen Zia, 315101
- Petitions for Rehearing
 28. Glen A. Blair, 242041
 29. Elisabeth A. Bossingham, 269712
 30. Vincent Castell, 263180, 269716
 31. Thomas R. DeLong, 266589
 32. Gregory J. Galaski , 282944
 33. George Georgiou and Judy Georgiou, 254030
 34. M & B Asset Management Trust, 270603
 35. Daniel B. Martin, 294391
 36. John Michael Payne, 290261

G3 Homeowner and Renter Property Tax

- Assistance Matters**..... **Mr. Schreiter**
- Decisions
 1. Jose Fremonde, 317508
 2. Christina Hayes, 309696
 3. Sylvia Hooper, 329012
 4. Qui Li, 328226

5. Esmaeil Mahmoudian, 328136
6. Daniel Oliver, 330363
7. Frank J. Vlatko, 310526

G4 Sales and Use Taxes Matters Ms. Henry

- Redeterminations
 1. Sky Chefs, Inc., 260794 (OHC)
 2. CSK Auto, Inc., 242462 (OH)
 3. VRL-UCP, Inc., 293207 (OH)
 4. Bonita Marketing, Inc., 333853 (UT)
 5. Wholesale Factory, Inc., 221740 (AA)
 6. Pirelli Comm Cacle & Sys USA, LLC., 298885 (OHB)
 7. Holiday RV Superstores West, Inc., 254666 (KH)
 8. Smed International, Inc., 286881 (OH)
 9. Atriniti Corporation, 288356 (OHB)
- Relief of Penalty/Interest
 10. Hajoca Corporation, 345463 (OHB)
 11. The Tei Fu Chen Family Trust, 345572 (AS)
- Denials of Claims for Refund
 12. VW Credit, Inc., 238568 (OHA)
 13. Advanta Business Services Corporation, 345291 (OHB)
 14. Customized Auto Credit, Inc., 342943 (OHC)

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

- Credits and Cancellations
 1. Candle Corporation, 261981 (AS)
 2. Garden City, Inc., 344774 (GH)
 3. Ibsiden U.S.A. Corporation, 316706 (GH)
 4. Jack R. Schneider, 266928 (EA)
 5. Triangle Pipe & Supply Company, Inc., 343158 (AP)
 6. Azar Mahmood Kalayehhamrang, 341551 (EH)
- Refunds
 7. Los Angeles Department Water & Power, 309861 (AA)
 8. The Disney Store, Inc., 342078 (AC)
 9. Central Purchasing, Inc., 341633 (AR)
 10. Rebar Engineering, Inc., 344702 (AA)
 11. Chevron U.S.A., Inc., 334951 (BH)
 12. Volkswagen of America, Inc., 341563 (OHA)
 13. Purcell-Murray Company, Inc., 334384 (BH)
 14. Evans & O'Brien, Inc., 331906 (GH)
 15. Sea World, Inc., 341157 (FH)
 16. Alza Corporation, 346665 (BH)
 17. Ibsiden U.S.A. Corporation, 318255 (GH)
 18. Airgas-Northern California/Nevada, Inc., 301071 (KH)
 19. Cessna Finance Corporation, 263743 (OHA)
 20. Avcom Technologies, Inc., 218026 (GH)
 21. Advanta Business Services, Corporation, 151186 (OHB)

22. Customized Auto Credit, Inc., 105636 (OHC)
23. Proquire, LLC, 343322 (OHA)
24. Corn Products International, Inc., 342232 (KH)
25. Good Samaritan Hospital, LP, 343648 (GH)
26. WFS Financial, Inc., 331810 (EAA)
27. McBride Door & Hardware, Inc., 300581 (FHB)
28. Los Angeles Department Water & Power, 310240 (AA)
29. 3M Company, 266537 (OHA)
30. Applied Graphics Technologies, Inc., 308049 (AA)
31. Telesis Community Credit Union, 207964 (AC)
32. Webmethods, Inc., 214600 (OHB)
33. Top Auto Finance, Inc., 339257 (AC)
34. El-Shahawi Group, Inc., 340388 (AA)
35. Nikko Materials USA, Inc., 346129 (OH)

G6 Special Taxes Matters Mr. Gau

- Denials of Claims for Refund
 1. US Telecom, Inc., 315283 (ET)
 2. In Touch Communications, Inc., 172849 (ET)
- Redetermination
 3. Exxonmobile Oil Corporation, 303392 (EF)

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

- Credit and Cancellation
 1. Metropolitan Life Insurance Company, 244342 (IT) – “CF”
- Refunds
 2. Hanson Aggregates Mid-Pacific, Inc., 349422 (EF)
 3. U. S. Marine Corps, 332286 (HGF)
 4. Metropolitan Life Insurance Company, 335834 (IT) – “CF”
 5. Northwestern Mutual Life Insurance Company, 336995 (IT) - “CF”

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

There are no items for the following matters:

- H1 Legal Appeals Matters
- H2 Franchise and Income Tax Matters
- H3 Homeowner and Renter Property Tax Assistance Matters

H4 Sales and Use Taxes Matters Ms. Henry

- Redetermination
 1. MCY III Corporation, 218314 (AC)
- Denial of Claim for Refund
 2. Procter & Gamble Paper Products Company, 335295 (OHA)

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

- Refund
 1. Procter & Gamble Paper Products Company, 261793 (OHA)

H6 Special Taxes Matters

There are no items for this matter.

H7 Special Taxes Matters – Credits, Cancellations, and Refunds..... Mr. Gau

- Refunds
 1. W. A. Dwelle, Inc., 332362 (MT)

There are no items for the following matters:

- H8 Property Tax Matters
- H9 Cigarette License Fee Matters
- H10 Legal Appeals Property Tax Matters

I. TAX PROGRAM NONAPPEARANCE MATTERS

(Contribution Disclosure forms not required pursuant to Govt. Code § 15626.)

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

- Audits
 1. Lodi Gas Storage, LLC (198) – “CF”
 2. Dacom America, Inc., (7831) – “CF”
 3. Advanced Tel, Inc., (7952) – “CF”
 4. Teledata Solutions, Inc., (7980) – “CF”
- Unitary Escaped Assessments
 5. (a) New World Telecom International (7967) – “CF”
 - (b) Telecom Consultants, Inc., (8033) – “CF”
 - (c) Phone 1, Inc., (8034) – “CF”
 - (d) Access One, Inc., (8035) (2005 Lien Date) – “CF”
 - (e) Access One, Inc., (8035) (2004 Lien Date) – “CF”
- Unitary Land Escaped Assessments
 6. (a) Metro PCS California/Florida, Inc., (2733) – “CF”
 - (b) Cricket Communications, Inc., (2762) – “CF”

I2 Offers-in-Compromise RecommendationsMs. Ograd

1. Edward Belzberg

CHIEF COUNSEL MATTERS

J. Rulemaking

Proposed Amendments to *State Board of Equalization Rules of Practice*Ms. Cazadd

- J1 Request concept approval for Revised Procedures for Property Tax Appeals and new *Rules of Practice*, Chapter 3, *Property Taxes*
- J2 Request concept approval for new *Rules of Practice*, Chapter 4, *Appeals from Actions of the Franchise Tax Board*

Property TaxesMr. Lambert

- J3 Repeal of Property Tax Rule 139, *Restricted Access as Damage Eligible for Reassessment Relief Pursuant to Revenue and Taxation Code section 170*

Sales and Use TaxMr. Lambert

- J4 Adoption of Proposed Revised Language to Sales and Use Tax Regulation 1591, *Medicines and Medical Devices*
- J5 Petition to amend Sales and Use Tax Regulation 1521, *Construction Contractors*

There are no items for the following matters:

- K. Business Taxes
- L. Property Taxes

M. Other Chief Counsel MattersMs. Cazadd

- ~~M1 Report on Law Guide Project~~
 - ~~▪ Handbook of Business Taxes and Fees Law~~
 - ~~▪ Handbook of Administrative Law and Policies~~

ADMINISTRATIVE SESSION**N. Consent Agenda..... Mr. Evans****N1 Retirement Resolutions**

- Douglas R. Carroll
- Carol Cross
- Victor V. Day
- Lisa G. Fisher
- Alvin J. Glatt
- Larry Gorsline
- Raymond L. Harispe
- Cynthia Lewis
- Jeanne D. Rahier

N2 Approval of Board Meeting Minutes

- October 18, 2005 Annual Board Meeting with County Assessors
- March 7-8, 2006

N3 Approval of 2006-07 Tobacco Products Tax Rate**N4 Adoption of 4-R Act Equalization Ratio for 2005-06****N5 Approval of extension of time granted to Mariposa County to complete and submit 2006-07 Local Assessment Roll pursuant to Revenue and Taxation Code section 155****O. Approval of Board Committee Meeting Minutes**

- O1 Business Tax Committee--April 18, 2006
- O2 Legislative Committee--May 17, 2006

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. Budget Hearings and May Revision Issues Update
2. Headquarters' Windows Project Update

P2 Interagency Agreements Over \$1 Million..... Ms. Johnson

1. Department of Motor Vehicles (DMV)
This contract provides for DMV to collect sales and use taxes relating to vehicles and undocumented vessels and transmit district taxes
2. Department of Toxic Substances Control
This contract provides for Board of Equalization to administer the Hazardous Substances Tax Program for the Department of Toxic Substances Control.

ANNOUNCEMENT OF CLOSED SESSION..... Mr. Evans

Q. Closed Session

- Q1 Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code §§ 6901, 7093.5, 30459.1 and 50156.11)
- Q2 Pending litigation: *Cardinal Health 110, Inc. v. State Board of Equalization of the State of California*, San Francisco Superior Court Case No. C GC04-437052 (Govt. Code § 11126(e))
- Q3 Litigation: Request for Amicus Brief, *Macy’s v. City and County of San Francisco First District Court of Appeal*, Case No. A109288 (Govt. Code § 11126(e))
- Q4 Discussion and action on personnel matters (Govt. Code § 11126(a))

ANNOUNCEMENT OF OPEN SESSION Mr. Evans

ADJOURN

If you wish to receive this Notice and Agenda electronically, you can subscribe at www.boe.ca.gov/agenda.

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. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

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

Gary Evans, Acting 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.