



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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September 18, 2009

**Notice of Proposed Regulatory Action**

**The State Board of Equalization Proposes to Adopt Revised Amendments to California Code of Regulations, Title 18, Sections:**

**5237, BOARD APPROVAL REQUIRED FOR REFUNDS OVER \$50,000; and  
5266, APPEALS STAFF RECOMMENDATIONS; REQUESTS FOR RECONSIDERATION;  
REQUESTS FOR ORAL HEARINGS**

**NOTICE IS HEREBY GIVEN**

The State Board of Equalization (Board), pursuant to the authority vested in it by Government Code section 15606 and Revenue and Taxation Code sections 7051, 8251, 9251, 13170, 30451, 32451, 38701, 40171, 41128, 43501, 45851, 46601, 50152, 55301, and 60601 has proposed to amend California Code of Regulations, title 18, section (Regulation) 5237, *Board Approval Required for Refunds Over \$50,000*. The proposed amendments to Regulation 5237 will implement, interpret, and make specific Revenue and Taxation Code sections 6901, 8126, 9151, 12977, 30361, 32401, 38601, 40111, 41100, 43451, 45651, 46501, 50139, 55221, and 60521, which authorize the Board to grant refunds of specified taxes and fees.

The Board, pursuant to the authority vested in it by Government Code section 15606 and Revenue and Taxation Code sections 7051, 8251, 9251, 13170, 30451, 32451, 38701, 40171, 41128, 43501, 45851, 46601, 50152, 55301, and 60601 has also proposed to amend Regulation 5266, *Appeals Staff Recommendations; Requests for Reconsideration; Requests for Oral Hearings*. The proposed amendments to Regulation 5266 will implement, interpret, and make specific Revenue and Taxation Code sections 6074, 6456, 6538, 6562, 6592, 6593, 6593.5, 6596, 6814, 6901, 6902, 6906, 6981, 7657, 7657.1, 7658, 7658.1, 7700, 7700.5, 7711, 8126, 8128, 8191, 8828, 8828.5, 8852, 8877, 8878, 8878.1, 8879, 9151, 9152, 9196, 12429, 12636, 12637, 12951, 12977, 12978, 12981, 30175, 30176, 30176.1, 30176.2, 30177, 30178, 30178.1, 30243, 30243.5, 30262, 30282, 30283, 30283.5, 30284, 30361, 30362, 30365, 30421, 32255, 32256, 32256.5, 32257, 32302, 32312, 32313, 32401, 32402, 32402.1, 32404,

32407, 32440, 38433, 38435, 38443, 38452, 38453, 38454, 38455, 38601, 38602, 38605, 38631, 40093, 40102, 40103, 40103.5, 40104, 40111, 40112, 40115, 40121, 41087, 41096, 41097, 41097.5, 41098, 41100, 41101, 41104, 41107, 43157, 43158, 43158.5, 43159, 43303, 43351, 43352, 43451, 43452, 43454, 43491, 45155, 45156, 45156.5, 45157, 45303, 45352, 45353, 45651, 45652, 45654, 45801, 46156, 46157, 46157.5, 46158, 46302, 46303, 46353, 46501, 46502, 46505, 46511, 50112.2, 50112.3, 50112.4, 50112.5, 50116, 50120.2, 50120.3, 50139, 50140, 50142, 50151, 55044, 55045, 55046, 55046.5, 55083, 55102, 55103, 55221, 55222, 55224, 55281, 60209, 60210, 60211, 60212, 60332, 60333, 60352, 60501, 60502, 60506, 60507, 60521, 60522, 60581. These Revenue and Taxation Code sections authorize the Board to grant or deny petitions, refunds, and requests for relief, and cancel previously assessed taxes and fees.

A public hearing on the proposed amendments to Regulation 5237 and 5266 was held in Room 121, 450 N Street, Sacramento, California, on August 31, 2009. No interested parties asked to speak at the public hearing or submitted written comments on the proposed amendments.

However, the proposed amendments to Regulations 5237 and 5266 authorized Board staff to approve refunds and cancellations over \$50,000. Revenue and Taxation Code sections 6901, 6981, 8126, 8191, 9151, 9196, 12951, 12977, 30361, 30421, 32401, 32440, 38601, 38631, 40111, 40121, 41100, 41107, 43451, 43491, 45651, 46501, 46551, 50139, 50151, 55221, 55281, 60521, and 60581 require the Board to make a public record of decisions to grant refunds, credits, and cancellations over \$50,000 available for at least 10 days before the decisions are effective. Also Revenue and Taxation Code section 45801 requires the Board to make a public record of decisions to cancel amounts over \$15,000, which were determined under the Integrated Waste Management Fee Law, available for at least 10 days before the decisions are effective. Therefore, the Board referred the proposed amendments to Regulations 5237 and 5266 to the 15-day file and directed staff to add language incorporating the public record requirements.

Enclosed are revised versions of the proposed amendments to Regulations 5237 and 5266. The original proposed amendments are still noted with single underscore and strikeout. The revisions to the proposed amendments, which incorporate the public record requirements, are noted with double underscore. In accordance with Government Code section 11346.8, subdivision (c), the revised versions of the proposed amendments are being placed in the rulemaking file and mailed to interested parties who commented orally or in writing, or who asked to be informed of such revisions. If you wish to review the rulemaking file, it is available for your inspection at the State Board of Equalization, 450 N Street, Sacramento, CA 95814.

The revised versions of the proposed amendments will be placed on the October 6, 2009, Board meeting agenda for the Board's consideration and potential adoption. Interested persons may present or submit oral or written statements, arguments, or contentions regarding the revised versions of the proposed amendments. In addition, if the Board receives written comments prior to its consideration of the proposed amendments on October 6, 2009, the statements, arguments, and/or contentions contained in those comments will be presented to and considered by the Board before the Board decides whether to adopt the proposed amendments to Regulations 5237 and 5266. Furthermore, any written comments received

prior to October 6, 2009, regarding the revised versions of the proposed amendments must be responded to in the final statement of reasons required by Government Code section 11346.9.

Questions regarding the substance of the revised versions of the proposed amendments should be directed to Bradley M. Heller, Tax, Counsel III (Specialist), by telephone at (916) 324-2657, by e-mail at [Bradley.Heller@boe.ca.gov](mailto:Bradley.Heller@boe.ca.gov), or by mail at State Board of Equalization, Attn: Bradley M. Heller, MIC:82, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0082.

Written comments for the Board's consideration, notice of intent to present testimony or witnesses at the public hearing, and inquiries concerning the proposed administrative action should be directed to Ms. Toya Davis, Regulations Coordinator, by telephone at (916) 327-1798, by fax at (916) 324-3984, by e-mail at [Toya.Davis@boe.ca.gov](mailto:Toya.Davis@boe.ca.gov), or by mail at State Board of Equalization, Attn: Toya Davis, MIC:81, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0080.

Sincerely,

Diane G. Olson, Chief  
Board Proceedings Division

DO:tpd  
Enclosure