



STATE BOARD OF EQUALIZATION
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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

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
January 11, 2012

PRELIMINARY RECORD OF BOARD ACTIONS

Wednesday, January 11, 2012

The following is a preliminary record of Board actions taken at the January 11, 2012 Sacramento Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone Joann Richmond at 916-322-1931 or email: Joann.Richmond@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

Board Committee Meeting Please see Page 8, O., Adoption of Board Committee Report and Approval of Committee Actions, for voting results.

Board Meeting

Special Presentations

2010/2011 Employee Recognition Award Program

There are no items for the following matters:

- A. Homeowner and Renter Property Tax Assistance Hearings
- B. Corporate Franchise and Personal Income Tax Hearings

C. Sales and Use Tax Appeals Hearings

C1. Donald G. Sheridan and Judith C. Sheridan, 486394 (UT)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' petition denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C2. Jasvir Singh Shahi, 303529 (CH)~~

C3. Santiago Rodriguez, 361129 (BH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

- D. Special Taxes Appeals Hearings
- E. Property Tax Appeals Hearings
- F. Public Hearings

G. Tax Program Nonappearance Matters – Consent

G1. Legal Appeals Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations. No final determination on sub-items 2, 4a and 4b.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Hearing Notices Sent – No Response
 1. Platinum Motor Group, 436520 (BH)
 2. ~~Edwards, Inc., 522933 (KH)~~
 3. Tania Khatib, 521995 (KH)
 - 4a. ~~Behroz Niazi, 380047, 382782 (ET)~~
 - 4b. ~~Behroz Niazi, 382783, 382784 (ET)~~

G2. Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
No final determination on sub-item 14.	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Hearing Notices Sent – No Response
 1. Barbara Boldy, 569046
 2. Damon Intrabartolo, 556868
- Decisions
 3. Sharon Alshams, 554896
 4. Arlene Berry, 534744
 5. Shin U. Choi, 564526
 6. Benjamin Cichy, 547392
 - 7a. Jincan Guo and Wei Huang, 511289
 - 7b. Guo Technologies Co., 511297
 8. ITN (Investment Trade Network) LP, Anthony Gudeli, Transferee, 469929
 9. Ravikumar Raju Jampana, 535637
 10. Manuel Meza, Jr., 560587
 11. Ana Nieves, 563723
 12. Oracle Transcription, Inc., 530845
 13. Otto's Appliance Service, Inc., 556546
 14. ~~Lawrence B. Steinberg and Ellen A. Steinberg, 495475~~
 15. Warwick McKinley, Inc., 489090
 16. Helen Wenzel, 445986
- Petitions for Rehearing
 17. David A. Lubeck and Mabel C. McNall-Lubeck, 557788
 18. Armando Rios Torres, 510917

G3. Homeowner and Renter Property Tax Assistance Matters

There are no items for this matter.

G4. Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Redeterminations
 1. Calabasas Mine Shaft, 505101 (AC)
 2. Metro Goldwyn Mayer Studios, Inc., 560595 (AS)

- 3. James Brenton Frakes, 473929 (FH)
- 4. Cooper Lighting, Inc., 547183 (OH)
- 5. Cascade Turf, LLC, 554470 (OH)
- 6. San Clemente Auto Rental & Sales, 560569 (EA)
- Relief of Penalty/Interest
 - 7. Coach, Inc., 593286 (OH)
 - 8. KFC Corporation, 592757 (OH)
- Denials of Claims for Refund
 - 9. North Island Financial Credit Union, 547421 (FH)
 - 10. Milgard Manufacturing, Inc., 538740 (OH)
 - 11. Bowe Bell Howell Company, 523037 (OH)
 - 12. Total Resource Management, Inc., 528633 (OH)

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-items 22 and 37

- Credits and Cancellations
 - 1. ITT Water & Wastewater USA, Inc., 589869 (OH)
 - 2. Pacific West Towing Equipment, Inc., 593161 (AA)
 - 3. Safe Net, Inc., 564437 (OH)
 - 4. The Brown Cunningham Enterprise, 475772 (AS)
 - 5. Attitudeline Incorporation, 559127 (AC)
 - 6. Alexander Bouzari, 593291 (AS)
 - 7. Alexander Bouzari, 593293 (AS)
- Refunds
 - 8. John Paul Mitchell Systems, 589815 (AR)
 - 9. J.D. Power & Assoc., 589804 (AR)
 - 10. Hot Topic, Inc., 510091 (AP)
 - 11. Chevron U.S.A., Inc., 553227 (BH)
 - 12. Rapattoni Corporation, 568992 (AR)
 - 13. Jackson Vereen Studio, Inc., 571378 (BH)
 - 14. Sutter East Bay Hospitals, 578533 (CH)
 - 15. Primary Color Systems Corp., 505322 (EA)
 - 16. North Island Financial C.U., 547421 (FH)
 - 17. Actel Corporation, 522982 (GH)
 - 18. Schnitzer Steel Industries, Inc., 586048 (OH)
 - 19. Milgard Manufacturing, Inc., 538740 (OH)
 - 20. Yahoo!, Inc., 488200 (GH)
 - 21. Wells Fargo Dealer Services, Inc., 572045 (EA)
 - 22. Broadcom Corporation, 529939 (EA)
 - 23. Arrowhead Central Credit Union, 577343 (EH)

24. Arcadia Financial LTD., 574504 (OH)
25. Total Resource Management, Inc., 528633 (OH)
26. Orange County's Credit Union, 552478 (EA)
27. Transouth Financial Corporation, 574942 (OH)
28. First Metropolitan Credit Union, 531154 (CH)
29. Water & Power Comm. Credit Union, 505708 (AS)
30. Hudson Printing, Inc., 515873 (FH)
31. Citicorp Trust Bank FSB & Affiliates, 400193 (OH)
32. ITT Space Systems, LLC, 469768 (OH)
33. Meriwest Credit Union, 575725 (GH)
34. Qwest Communications Corporation, 486614 (OH)
35. RXC Acquisition Company, 504678 (OH)
36. J.J. Buckley, LLC, 565969 (CH)
37. HSBC Card Services, Inc., 443654 (OH)
38. Mission Federal Credit Union, 549898 (FH)
39. Mercedes-Benz Financial Services USA, LLC, 483852 (OH)

- G6. Special Taxes Matters
There are no items for this matter.

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Credits and Cancellations
 1. Joe Bezerra, Jr., 463742 (MT)
 2. Bezerra Family Trust, 592947 (MT)
- Refund
 3. QVC, Inc., 511262, 515680 (ER)

G8. Property Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not participating

- Petition for Reassessment and Penalty Abatement on Private Railroad Car Tax
 1. Monad Railway Equipment Co., (6467) 589137 'CF'

There are no items for the following matters:

- G9. Cigarette License Fee Matters
- G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory

- H1. Legal Appeals Matters
 - Cases Heard Not Decided

1. Maisa, Inc., 485794 (EH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

2. ~~Paul Glasson, 482541 (CH)~~

There are no items for the following matters:

- H2. Franchise and Income Tax Matters
- H3. Homeowner and Renter Property Tax Assistance Matters
- H4. Sales and Use Taxes Matters
- H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds
- H6. Special Taxes Matters
- H7. Special Taxes Matters – Credits, Cancellations, and Refunds
- H8. Property Tax Matters
- H9. Cigarette License Fee Matters
- H10. Legal Appeals Property Tax Matters

I. Tax Program Nonappearance Matters**I1. Property Taxes Matters**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Not participating

- Audit
 1. Evercom Systems, Inc. (7580) 'CF'
- Unitary Escaped Assessments
 - 2a. Plumas-Sierra Rural Electric Cooperative (176) 'CF'
 - 2b. Cellco Partnership (2559) 'CF'
 - 2c. AT&T Mobility, LLC (2606) 'CF'
 - 2d. US Cellular, LLC (2671) 'CF'
 - 2e. Sprint Technology PCS (2720) 'CF'
 - 2f. MetroPCS California (2733) 'CF'
 - 2g. T-Mobile (2748) 'CF'
 - 2h. Royal Street Communications (2779) 'CF'

I2. Offer in Compromise Recommendations

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

1. Nelly Raquel Ardila
Guadalajara Motors, Inc.
2. Container Options
3. Samuel G. Read

I3. Local Tax Reallocation Matters
There are no items for this matter.**Chief Counsel Matters**

There are no items for the following matters:

- J. Rulemaking
- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

Administrative Session**N. Consent Agenda**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

N1. Retirement Resolutions

- Eileen Frutos
- John T. Garcia
- Leopoldina Limon
- Ken C. Lin
- Beverly D. Toms
- Debra V. Lopez-Tricerri

N2. Approval of Board Meeting Minutes

- October 25-28, 2011
- November 15-16 2011

O. Adoption of Board Committee Report and Approval of Committee Actions

O1. Legislative Committee -

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Postponed to January-February 2012 Culver City Board Meeting. For details see: http://www.boe.ca.gov/legdiv/legmeetings12.htm .	Mr. Horton Ms. Steel Mr. Runner Ms. Yee Mr. Chiang/Ms. Mandel	

P. Other Administrative Matters

P1. Executive Director's Report

1. CROS Project Update and Actions

There are no items for the following matters:

P2. Chief Counsel Report

P3. Sales and Use Tax Deputy Director's Report

P4. Property and Special Taxes Deputy Director's Report

P5. Administration Deputy Director's Report

1. Headquarters Facilities Update
2. 2012/13 Budget Update
3. 2012/13 DRAFT Spring Finance Letters
 - a. Centralized Revenue Opportunity System (CROS)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

b. Department of Justice (DOJ) Billable Services

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Steel	Yes
	Mr. Runner	Yes
	Ms. Yee	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

- P6. Technology Deputy Director's Report
- P7. External Affairs Deputy Director's Report

Q. Closed Session