



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

BILL LEONARD
Second District, Ontario/Sacramento

MICHELLE STEEL
Third District, Rolling Hills Estates

JUDY CHU, Ph.D.
Fourth District, Los Angeles

JOHN CHIANG
State Controller

**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
January 31 – February 1, 2008**

PRELIMINARY RECORD OF BOARD ACTION

RAMON J. HIRSIG
Executive Director

Thursday, January 31, 2008

The following is a preliminary record of Board actions taken at the January 31, 2008 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 Rose Smith at (916) 323-9656 or e-mail: Rose.Smith@boe.ca.gov Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

Board Committee Meetings

BOARD COMMITTEE MEETINGS – Please see Page 17, O., Adoption of Board Committee Reports and Approval of Committee Actions, for voting results.

Board Meeting

Organization of the Board

- The Board will vote to elect a Chair and Vice Chair.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Appointed Dr. Chu Chair and Ms. Yee Vice Chairwoman	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Dr. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

Oral Hearings

- A. Homeowner and Renter Property Tax Assistance Hearings
There were no items for this matter.

B. Corporate Franchise and Personal Income Tax Hearings**B1. Randall G. Tipton, 427078**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Partially Granted/Denied	Dr. Chu	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

B2. Swift Transportation Company, Inc., 266318

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Dr. Chu	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

B3. Lionel M. Nurse and Silvia I. Perez, 397729

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- C. Sales and Use Tax Appeals Hearings
These items were scheduled for the afternoon.
- D. Special Taxes Appeals Hearings
These items were scheduled Friday, February 1, 2008.
- E. Property Tax Appeals Hearings
There were no items for this matter.
- F. Public Hearings
These items were scheduled Friday, February 1, 2008.

G. Tax Program Nonappearance Matters – Consent**G1 Legal Appeals Matters**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- Petition for Rehearing
 1. City of Brisbane, 384183 (BH)

G2 Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- Decisions
 1. Neal Archer and Pamela Archer, 363077
 2. Luis Bueno and Emilia Bueno, 361513
 3. Ronco Consulting Corporation, 306086
 4. Ronald C. Salerno, 400375

G3 Homeowner and Renter Property Tax Assistance Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- Decisions
 1. Joyce Coleman, 349371
 2. Laura Dennis, 339328
 3. James Deringol, 387193
 4. Yasmin Gonsouland, 341130
- Petition for Rehearing
 5. Leonardo L. Calica, 377400

G4 Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Dr. Chu	Yes – except not participating in sub item 13
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes – except not participating in sub item 13

- Redeterminations
 1. Yoosef Aminpour, 157910 (AC)
 2. Exact Software Erp-Na, Inc., 361771 (OHA)
 3. Qwest Communications Corporation, 343233 (OH)
 4. Penn Emblem Company, 376819 (OHB)
 5. Praxair Surfaces Technologies, Inc., 400762 (OHB)
 6. The Robert Allen Group, Inc., 405239 (OHB)
 7. Cardinal Health 303, Inc., 378172 (FH)
 8. Imax Corporation, 109214 (OHA)
 9. Saeid Aminpour, 157907 (AC)
 10. Flowserve US, Inc., 379037 (OHC)
 11. Thoren Caging Systems, Inc., 351532 (OHB)
 12. Durango Mining Equipment, Inc., 219878 (OH)
 13. Pacific Gas & Electric Company, 271983 (BH)
 14. Babol Sons, Inc., 157906 (AC)
 15. Aminpour Brothers, Inc., 158234 (AC)
 16. White Oak Inn, Inc., 157905 (AC)
 17. For Stars Express, Inc., 380964 (AS)
- Relief of Penalty/Interest
 18. La Curacao, 425509 (AS)
- Denial of Claims for Refund
 19. American Honda Motor Company, Inc., 399483 (AS)

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Dr. Chu	Yes – except not participating in sub items 28 and 29
	Mr. Leonard	Yes
	Ms. Steel	Yes – except not participating in sub item 36
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes – except not participating in sub items 16, 19 and 47

- Credits and Cancellations
 1. Nelco Products, Inc., 422686 (EA)
- Refunds
 2. Iron Mountain Info Management, Inc., 382768 (OHB)
 3. Sage Holding Company, Inc., 421991 (AS)
 4. Nissan North America, Inc., 417315 (AS)
 5. Occidental College, 423041 (AP)
 6. California Portland Cement Company, 391661 (AP)
 7. Doremi Labs, Inc., 415512 (AC)
 8. The Gap Stores, Inc., 294925 (BH)
 9. Peterson Power Systems, Inc., 420319 (CH)
 10. Primary Color Systems Corporation, 262778 (EAA)
 11. First Future Credit Union, 327425 (FH)
 12. Logitech, Inc., 359339 (CH)
 13. Ormco Corporation, 262509 (EA)
 14. Wafernet, Inc., 405477 (GH)
 15. Safe Credit Union, 401537 (KH)
 16. UPS Logistics Technologies, Inc., 197014 (OHB)
 17. Genie Industries Incorporated, 421341 (OH)
 18. UOP, Inc. & Katalistiks International, Inc., 417461 (OHA)
 19. Chevrolet Motor Division, 424152 (OHA)
 20. Daimler Chrysler Corporation, 424151 (CHA)
 21. Mercedes-Benz USA, LLC, 414135 (KH)
 22. The Doctors Company, 380016 (JHF)
 23. McAfee, Inc., 422993 (GH)
 24. Westates Carbon-Arizona, Inc., 261343 (OHB)
 25. Intl Post Leasing Limited, 423047 (AC)
 26. Cedar Fair LP, 329583 (EA)
 27. Bemusic, Inc., 420054 (OHB)
 28. International Business Mach. Corporation, 399474 (OHB)
 29. International Business Mach. Corporation, 328946 (OHB)
 30. American Honda Motor Company, Inc., 399483 (AS)
 31. Travis Credit Union, 417200 (JHF)
 32. Imation Corporation, 421992 (OHA)
 33. Universal Sodexho, 263741 (GH)
 34. Arcadia Financial Ltd., 400986 (OHB)
 35. Americredit Financial Service, Inc., 416631 (OHC)
 36. Hess Microgen, LLC, 349771 (OHB)
 37. Rock-It Surfaces, Inc., 389758 (FHB)
 38. United Auto Credit Corporation, 415867 (EAA)
 39. GNLD International, LLC, 417381 (CH)
 40. Transouth Financial Corporation, 400795 (OHB)
 41. Finance and Thrift Company, 334311 (KHO)
 42. Cig Financial, 404730 (EAA)
 43. Roy's Pasadena-I Ltd. Partnership, 398840 (AS)

44. San Francisco Federal Credit Union, 339256 (BH)
45. Kaz USA, Inc., 422913 (OHB)
46. Mediaflo USA, Inc., 390379 (FH)
47. Operating Engineers Local Unit #3, 355034 (CH)

G6 Special Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

- Relief of Penalty
 1. Lincoln National Life Insurance Company, 422872 (ET) **"CF"**

G7 Special Taxes Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes – except not participating in sub items 2, 3, 4 and 5

- Refunds
 1. Burlington Northern & Santa Fe Railway, 340352 (EF)
 2. Robert Mondavi Imports, Inc., 402795 (ET) **"CF"**
 3. CM Life Insurance Company, 426203 (ET) **"CF"**
 4. Massachusetts Mutual Life Ins. Company, 426204 (ET) **"CF"**
 5. Aetna Life Insurance Company, 426846 (ET) **"CF"**
 6. Santa Clara Valley Water District, 427354 (EF)

G8 Property Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

- Petition for Reassessment of Private Railroad Car Tax
 1. RTI Railroad Services, Inc., 421436 **"CF"**
- Petition for Penalty Abatement on Private Railroad Car Tax
 2. American Soda, LLP, 421439 **"CF"**

There were 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

- Petition for Release of Seized Property
 1. Ngo My Chau, 415744 (ET)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

H2 Franchise and Income Tax Matters

- Opinions
 1. Downey Toy Company, 306793

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied Denied the Formal Opinion	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

2. Taiheiyo Cement USA, Inc., 332855

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied Denied the Formal Opinion	Dr. Chu	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- Decision
 3. Melody L. Beattie, 359059

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

H3 Homeowner and Renter Property Tax Assistance Matters

- Decisions
 1. Tanya Berry, 395705

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

2. Frances M. Franklin, 335907

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

H4 Sales and Use Taxes Matters

- Redetermination
 1. Michael P. Rogers, 314398 (CH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Granted	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- Relief of Penalty/Interest
 2. UPS Oasis Supply Corporation, 418332 (OHA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Granted	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Not Participating
	Mr. Chiang/Ms. Mandel	Not Participating

- Denial of Claim for Refund
 3. Aramark Uniform & Career Apparel, 300481 (AC)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Claim Denied	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- Denial of Relief of Penalty/Interest
 4. Caddo Design & Office Products, 421105 (OH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

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

- Refund
 1. Montgomery Ward, LLC, 394694 (OHA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Claim Granted	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

There were no items for the following matters:

- 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

➤ Board Roll Changes – “CF”

1. 2004, 2005, 2006 and 2007 Board Rolls of State-Assessed Property

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

➤ Private Railroad Car Roll Changes – “CF”

2. 2007 Private Railroad Car Roll

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

I2 Offers-in-Compromise Recommendations

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

1. Enrique Torres
2. Stephen Mannarmattathil

Oral Hearings**C. Sales and Use Tax Appeals Hearings****C1. Johnny Quik Food Stores, Inc., 303702 (KHO)**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Claim Denied	Dr. Chu Mr. Leonard Ms. Steel Ms. Yee Mr. Chiang/Ms. Mandel	Yes No No Yes Yes
The Board directed staff to send a letter to the California Victim Compensation and Government Claims Board recommending favorable consideration of the request for relief filed by the taxpayer.	Dr. Chu Mr. Leonard Ms. Steel Ms. Yee Mr. Chiang/Ms. Mandel	Yes Yes Yes No Abstain

C2. Homecare Information Systems, Inc., 89002426820 (OHB)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Dr. Chu Mr. Leonard Ms. Steel Ms. Yee Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Yes

C3. Scot Kenney, 312450 (KH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Partially Granted/Denied Approved staff's revised recommendation.	Dr. Chu Mr. Leonard Ms. Steel Ms. Yee Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Yes

C4. Tarek Anwar Nada, 305290 (CH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Dr. Chu	No
The Board ordered that the petition be submitted for decision, granting the petitioner 30 days to file supporting documents, the Department 30 days to respond, and the Appeals Division 30 days thereafter to review the petitioner's supporting documents, the Department's response and provide its recommendation to the Board.	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

C5. Advanced Aviation, LLC, 314063, 314064 (UT) —Postponed to March

Chief Counsel Matters**J. Rulemaking**J1. Petition to Amend Property Tax Rule 462.001, *Change in Ownership – General*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Petition Denied	Dr. Chu	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

Adjourn - The meeting reconvened on Friday, February 1, 2008, at 9:30 a.m.



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**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
January 31 – February 1, 2008**

PRELIMINARY RECORD OF BOARD ACTION

Friday, February 1, 2008

The following is a preliminary record of Board actions taken at the February 1, 2008 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.

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Board Meeting

Oral Hearings

- A. Homeowner and Renter Property Tax Assistance Hearings
There were no items for this matter.
- B. Corporate Franchise and Personal Income Tax Hearings
These items were scheduled on Thursday, January 31, 2008.

C. Sales and Use Tax Appeals Hearings

C6. Sportsmobile West, 307997 (KH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Dr. Chu	Yes
No action taken as to the Claim for Reimbursement.	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

C7. The Coca Cola Company, 193081, 186352, 288534 (OHA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Dr. Chu	Yes
The Board ordered that the petition be submitted for decision, granting the petitioner 30 days to file supporting documents, the Department 30 days to respond, and the Appeals Division 30 days thereafter to review the petitioner's supporting documents, the Department's response and provide its recommendation to the Board.	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

D. Special Taxes Appeals Hearing

D1. Time Oil Company, 260451, 260452, 260453, 306239, 347465 (MT)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petitions and Claims Denied	Dr. Chu	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

E. Property Tax Hearings
There were no items for this matter.

F. Public Hearing**F1 Property Taxes – State Assessee’s Presentations on Capitalization Rates and Other Factors Affecting Values**

The following items were scheduled for Thursday, January 31, 2008:

- G. Tax Program Nonappearance Matters – Consent
- H. Tax Program Nonappearance Matters – Adjudicatory
- I. Tax Program Nonappearance Matters

Chief Counsel Matters**J. Rulemaking**

- J2. Overview of the California Administrative Procedures Act Rulemaking Requirements

- J3. Sales and Use Tax Regulation 1570, *Charitable Organizations*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved amendments as recommended by staff.	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- J4. Sales and Use Tax Regulation 1620, *Interstate and Foreign Commerce*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved amendments as recommended by staff.	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- J5. Petition to Amend Property Tax Rule 140.1, *Requirements for Managing General Partner of Limited Partnership for Welfare Exemption for Low-Income Housing Properties*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. Deferred consideration to March.	Dr. Chu	
	Mr. Leonard	
	Ms. Steel	
	Ms. Yee	
	Mr. Chiang/Ms. Mandel	

- K. Business Taxes
There were no items for this matter.

L. Property Taxes

- L1. Consideration of Policy Change – Welfare Exemption “Community Benefit Test” Under Revenue and Taxation Code section 214

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. Deferred consideration to March.	Dr. Chu Mr. Leonard Ms. Steel Ms. Yee Mr. Chiang/Ms. Mandel	

M. Other Chief Counsel Matters

- M1. Untimely or Late-filed Appeals Materials
Staff Recommendation for Board Distribution Policy—Postponed
- M2. Staff Report on Cable Television Property Tax Assessment

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. Deferred consideration to March.	Dr. Chu Mr. Leonard Ms. Steel Ms. Yee Mr. Chiang/Ms. Mandel	

- M3. Amicus Brief, *State of Florida, Department of Revenue, v. Piccadilly Cafeteria, Inc.*, No. 07-312, cert. granted December 7, 2007. (In re *Piccadilly Cafeteria, Inc.*, 484 F.3d 1299 (11th Cir. 2007))

Administrative Session

N. Consent Agenda

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Dr. Chu Mr. Leonard Ms. Steel Ms. Yee Mr. Chiang/Ms. Mandel	Yes Yes Absent Yes Yes

- N1. Approval of Board Employee Retirement Resolutions
- Candace Rossi
 - Gary J. Choi
 - Ronald T. Yoshimoto
- N2. Approval of Board Employee Resolution
- Reed Schreiter
- N3. Approval of Board Meeting Minutes
- October 2, 3, 4, 2007
 - October 17, 2007
 - October 23, 24, 2007
 - November 14, 15, 2007
 - December 11, 12, 13, 2007

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

O1. Legislative Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein.	Dr. Chu	Yes
	Mr. Leonard	Yes
For details see:	Ms. Steel	Absent
http://www.boe.ca.gov/legdiv/legmeetings08.htm	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

2008 Legislative Proposals-Property Taxes

- 1-4 Amend sections 480.3 and 480.4 of the Revenue and Taxation Code to remove the specific detail of the Preliminary Change in Ownership Report from statute and instead authorize the Board to prescribe the form after consultation with the California Assessors' Association and interested parties.

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Adopted as recommended by staff.	Dr. Chu	Yes
(Consent)	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- 1-5 Amend Government Code section 15606.5 and Revenue and Taxation Code sections 670 and 671 to allow the Board to deliver online continuing education training to certificated property tax appraisers through established web-based systems maintained by community colleges that charge fees for online courses.

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Adopted as recommended by staff. (Consent)	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- 1-6 Amend Revenue and Taxation Code sections 69 and 69.3 to treat land and improvements as separate units in meeting the "substantially damaged or destroyed" threshold of 50 percent for purposes of qualifying for disaster relief via a base year value transfer.

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Adopted as recommended by staff.	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- 1-7 Amend Revenue and Taxation Code section 279 to (1) expressly address the continuity of the disabled veterans' exemption on a home that had been receiving the exemption but temporarily uninhabitable due to damage and (2) provide that in governor-proclaimed disasters in which a home is completely destroyed, the veteran may retain the exemption on the property while rebuilding.

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Adopted as recommended by staff.	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- 1-8 Amend Revenue and Taxation Code section 214.6 to clarify the filing procedures for obtaining a property tax exemption on property owned by a church or a nonprofit organization that is leased to a public school.

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Adopted as recommended by staff. (Consent)	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

2008 Legislative Proposals-Business Taxes (Sales and Use Taxes)

- 3-3 Add section 6487.06 to the Revenue and Taxation Code to reduce the period of time for which a determination may be mailed from eight years to three years when unregistered in-state purchasers, as defined, voluntarily report to the Board purchases subject to use tax.

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Adopted as recommended by staff.	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

- 3-6 Add section 6593.7 to the Revenue and Taxation Code to prohibit the accrual of interest on unpaid sales and use tax liabilities during the pendency of a Chapter 7 bankruptcy proceeding of a small business, as defined.— Withdrawn

Secure and Affordable Health Care Act of 2008

- Discussion of Implementation Issues regarding proposed Tobacco Products Excise Tax and related issues and direction to staff.—Withdrawn

Women, Infants, and Children (WIC) Program

- Discussion and Recommendation for Board Action:

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Reinstate the sales tax permit and monitor the situation on an ongoing basis to ascertain whether more than one taxpayer is affected.	Dr. Chu Mr. Leonard Ms. Steel Ms. Yee Mr. Chiang/Ms. Mandel	

O2. Business Taxes Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein.	Dr. Chu	Yes
	Mr. Leonard	Yes
For details see:	Ms. Steel	Absent
http://www.boe.ca.gov/meetings/btc2008.htm	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

1. Proposed amendments to Sales and Use Tax Regulation 1807, *Process for Reviewing Local Tax Reallocation Inquiries*, adoption of Regulation 1828, *Process for Reviewing Transactions and Use Tax Distribution Inquires*

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Retain the first sentence of 1807(d)(4) and 1828(d)(4) and delete the remaining language under those subdivisions.	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes
<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Approved the remainder of the regulations as proposed in Alternative 2; which included the transition rule language for Regulation 1807 submitted by MuniServices on January 30, 2008 at 4:43 P.M. and substantially identical transition rule language for Regulation 1828.	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes
<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Authorized Publication	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

O3. Property Tax Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein.	Dr. Chu	Yes
For details see: http://www.boe.ca.gov/proptaxes/p/cwplan08.htm	Mr. Leonard	Yes
	Ms. Steel	Absent
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

1. Forms to Implement Senate Bill 87, *Fractionally Owned Aircraft*

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Adopted staff's proposed forms BOE-570-FO-1 and BOE-570-FO-2 as presented in Issue Paper 08-001.	Dr. Chu	Yes
	Mr. Leonard	No
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

2. Update on the Status of the Valuation Factors Studies

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Biopharmaceutical equipment and fixtures study to come back to the May 2008 Property Tax Committee meeting.	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

3. Discussion of Change in Ownership Training for County Assessors' Staff

O4. Customer Service and Administrative Efficiency Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report as amended and approved the actions therein.	Dr. Chu	Yes
For details see: http://www.boe.ca.gov/meetings/custsrv/custsrv08.htm	Mr. Leonard	Yes
	Ms. Steel	Absent
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

1. Taxpayers' Rights Advocate's 2006-07 Property and Business Taxes Annual Report

P. Other Administrative Matters**P1. Executive Director's Report**

- a. Headquarters Building Update
- b. Report Board of Equalization Security Deposits

P2. Chief Counsel Report

There were no items for this matter.

P3. Deputy Director's Report

- a. Sales and Use Tax
There were no items for this matter.
- b. Property and Special Taxes
There were no items for this matter.
- c. Administration
 - 1. Budget Update 2008-2009
 - 2. New York District Office Relocation Project

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Dr. Chu	Yes
	Mr. Leonard	Yes
	Ms. Steel	Absent
	Ms. Yee	Yes
	Mr. Chiang/Ms. Mandel	Yes

Q. Closed Session

Adjourn