



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080
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State Controller

RAMON J. HIRSIG
Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
MARCH 16-17, 2009
NOTICE AND AGENDA
Meeting Agenda (as of 3:00 p.m., 03/13/09)

[Agenda Changes](#)

Monday, March 16, 2009

9:30 a.m. Board Committee Meeting Convenes*
Board Meeting Convenes upon Adjournment of the Board Committee Meeting**

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair, may modify the order of the items on the agenda. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

Board Committee Meeting*

[Customer Service and Administrative Efficiency Committee+](#)

Mr. Leonard, Committee Chair

1. Electronic Transition Plan Update

Update on the activities of the Board of Equalization's Electronic Transition Plan.

Board Meeting**

A. Homeowner and Renter Property Tax Assistance Hearing
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

A1. [Shirley Williams, 436262+](#)

For Appellant: Elijah Keyes, Representative

For Franchise Tax Board: Lisa Lawson, Hearing Representative

B. Corporate Franchise and Personal Income Tax Hearings
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

- B1. [Marlene D. Canter, 421269+](#)
For Appellant: Chris Whitney, Representative
For Franchise Tax Board: Daniel Biedler, Tax Counsel
- B2. [Donald A. Ramirez and Caroline A. Ramirez, 360881+](#)
For Appellant: Donald Ramirez, Taxpayer
Matthew Staub, Representative
For Franchise Tax Board: Bruce Langston, Tax Counsel
- B3. [Mervin L. George, Sr. and Laura Lee George, 443087+](#)
For Appellant: Mervin L. George, Sr., Taxpayer
Laura Lee George, Taxpayer
For Franchise Tax Board: Natasha Sherwood Page, Tax Counsel
- B4. [A. G. Arellano, 436279+](#)
For Appellant: A. G. Arellano, Taxpayer
Valerie Reyes, Representative
For Franchise Tax Board: Bruce Langston, Tax Counsel
- ~~B5. [Peter M. Bucklin and Joan Bucklin, 450416+](#)
For Appellant: ~~Harold Tisdale, Representative~~
For Franchise Tax Board: ~~Jenna Mayfield, Tax Counsel~~~~

C. Sales and Use Tax Appeals Hearings

These items are scheduled for the afternoon session and Tuesday, March 17, 2009.

D. Special Taxes Appeals Hearings

These items are scheduled for Tuesday, March 17, 2009.

- E. Property Tax Appeals Hearings
There are no items for this matter.

F. Public Hearing

These items are scheduled for the afternoon session and Tuesday, March 17, 2009.

G. Tax Program Nonappearance Matters – Consent

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

- G1. Legal Appeals Matters.....Mr. Levine
➤ Hearing Notices Sent – No Response
1. Fidel Pena Islas and Mirtha Silva Islas, 334802 (MT)
2. Diane Ramey, 406676, (UT)

3. Janice E. Lawrence, 422967 (KH)
 4. The W.A. Butler Company, 401803 (OH)
 5. Atisha Shanti Paulson, 390598 (GH)
 - Petition for Release of Seized Property
 6. Daya Singh and Sukhjeet Kaur, 466080 (ET)
- G2. Franchise and Income Tax MattersMs. Kelly
- Decisions
 1. Happy Harbor Marina, Inc., 414932
 2. Jaime H. Lopez and Irma P. Lopez, 405924
 - 3a. Natalie Leesmann, 362705
 - 3b. Floyd Fritz Leesmann, 382536
 4. Estate of Georgianna Ward (Deceased), 325827, 397042, 416568
 - Hearing Notice Sent – Appearance Waived
 5. Jacek Kostyrko and Zofia Kostyrko, 443905
- G3. Homeowner and Renter Property Tax Assistance MattersMs. Kelly
- Decisions
 1. Joyce Canady, 387490
 2. Rainess Holmes, 425149
 3. Riando Lewis, 423639
 4. Anita Penaflor, 414940
 5. Rubyann F. Perez, 425373
 6. Fumiko Saito, 422997
 7. Trudy Unger, 426806
 - Hearing Notice Sent – Appearance Waived
 8. Vincent J. Garofalo, 426809
- G4. Sales and Use Taxes Matters.....Ms. Henry
- Redeterminations
 1. Robert Leonard, 444095 (AS)
 2. Learjet, Inc., 424364 (OH)
 3. Color Communications, Inc., 402641 (OH)
 - Relief of Penalty/Interest
 4. Circle K Stores, Inc., 474482 (OH)
 - Denials of Claims for Refund
 5. Robert Ingram, 443313 (EH)
 6. Sprint Spectrum, L.P., 201892 (OH)
 7. Suburban Propane, L.P., 306074 (OH)
 - Denials of Relief of Penalty/Interest
 8. Brentwood Motors, Inc., 445719 (CH)
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds Ms. Henry
- Credits and Cancellations
 1. Mark Sawaya, 418583 (FH)
 2. DFS SPV, LP, 472906 (OH)
 3. Academy Trading, Inc., 472250 (AS)

- Refunds
 4. Madison/Graham Color Graphics, Inc., 400794 (AA)
 5. Prince Mobile Homes, Inc., 470070 (EH)
 6. Fleet Card Fuels, 406641 (AR)
 7. The Dot Printer, Inc., 466328 (EA)
 8. Westamerica Bank, 464301 (JH)
 9. Cardinal Health 110, Inc., 344853 (OH)
 10. Medline Industries, Inc., 341178 (OH)
 11. Vitro Packaging, Inc., 402357 (OH)
 12. Bestco Electric, Inc., 447878 (KH)
 13. Mercedes-Benz USA, LLC, 461214 (KH)
 14. Sprint Spectrum, LP, 201892 (OH)
 15. Pacific Service Credit Union, 430895 (CH)
 16. Behroz Akbarpour, 435377 (BH)
 17. Triad Financial Corporation, 418387 (EA)
 18. Rafe Federal Credit Union, 443023 (EH)

There are no items for the following matters:

- G6. Special Taxes Matters
- G7. Special Taxes Matters – Credits, Cancellations, and Refunds
- 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 Gov. Code § 15626.)

- H1. Legal Appeals Matters.....Mr. Levine
 - Hearing Notices Sent – No Response
 - 1a. Jamal A. Mahgoub, 356195 (CH)
 - 1b. AMT Solutions, Inc., 356197, 392072 (CH)
 - Cases Heard But Not Decided
 - 2a. Artashes Ambartsumyan, 334788 (EH)
 - 2b. Artashes Ambartsumyan, 335123 (EH)
 3. Danny Kangsok Kim, 386898 (EA)
 - Local Tax Reallocation Hearings ***
 4. Cities of Newport Beach and San Jose, ~~County of Sacramento,~~
478775
 5. ~~City of Long Beach,~~ 478776
 6. ~~City of Santa Fe Springs,~~ 478777
 7. City of San Mateo, 478814
 8. ~~City of Larkspur,~~ 478816
 9. City of San Mateo, 478830

- H2. Franchise and Income Tax MattersMs. Kelly
- Decisions
 1. Craig E. Jackson, 377160
 2. Personal Selling Power, Inc., 380557
 - Petition for Rehearing
 3. John Cirino and Sepideh Cirino, 361476
- H3. Homeowner and Renter Property Tax Assistance MattersMs. Kelly
- Decision
 1. Stephanie D. Brown, 345106
- H4. Sales and Use Taxes Matters..... Ms. Henry
- Relief of Penalty/Interest
 1. L&W Supply Corporation, 4611498 (EA)
 2. Sally Beauty Supply, LLC, 461139 (OH)
- H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds Ms. Henry
- Refunds
 1. UPS Oasis Supply Corporation, 340492 (OH)

There are 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

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

- I1. Property Taxes Matters Mr. Gau
- Audits
 1. Ducor Telephone Company (228) – “CF”
 2. Kerman Telephone Company (246) – “CF”
 3. Omnipoint Communications, Inc. (2748) – “CF”
 - Private Railroad Car Tax Refunds
 - 4a. M & C Railcar Leasing, LLC (6223) – “CF”
 - 4b. Greenfield Logistics, LLC (6369) – “CF”
- I2. Offers-in-Compromise RecommendationsMs. Ograd/Ms. Fong
1. Kenneth W. Park

Chief Counsel Matters

There are no items for the following matters:

- J. Rulemaking
- K. Business Taxes

L. Property Taxes

This item is scheduled for Tuesday, March 17, 2009.

- M. Other Chief Counsel Matters
There are no items for this matter.

Administrative Session

The following items are scheduled for Tuesday, March 17, 2009.

- N. Consent Agenda
- O. Adoption of Board Committee Reports and Approval of Committee Actions
- P. Other Administrative Matters

Q. Closed Session

These items are scheduled for Tuesday, March 17, 2009.

1:30 p.m. Board Meeting Reconvenes****C. Sales and Use Tax Appeals Hearings**

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

C1. [Sandisk Corporation, 208950, 225448, 312943 \(GH\)+](#)

For Petitioner:	Richard B. Taylor, CPA Phuong Nguyen, CPA Robert Hirt, Representative Mary Mendes, Representative
For Department:	Scott Lambert, Hearing Representative

C2. [Shirley Everett-Dicko and Donald Ray White, 342570 \(CH\)+](#)

For Petitioner:	Deborah Bell, CPA
For Department:	Scott Lambert, Hearing Representative

F. Public Hearing

- F1. [Sales and Use Tax Regulation 1502, Computers, Programs, and Data Processing+](#)Mr. Lambert/Mr. Heller

Proposed amendments to clarify the definition of a computer program.

Adjourn - The meeting will reconvene on Tuesday, March 17, 2009, at 9:30 a.m.

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The hearing location is accessible to people with disabilities. Please contact Claudia Madrigal at (916) 324-8261, or e-mail Claudia.Madrigal@boe.ca.gov if you require special assistance.

Diane G. Olson, Chief
Board Proceedings Division

- * Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.
- ** 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.
- *** Municipalities are exempt from Contribution Disclosure requirements; for further information please telephone Toya Davis, Contribution Disclosure Analyst at (916) 327-1798 or email: Toya.Davis@boe.ca.gov.
- + Material is available for this Item.
- ++ Material will be available at a later date.
- "CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.



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Board Meeting**

C. Sales and Use Tax Appeals Hearing

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

C3. [Richard Dean Jensen, 414211 \(KH\)+](#)

For Petitioner: Richard Dean Jensen, Taxpayer
Nina V. Jensen, Taxpayer
For Department: Andrew Kwee, Tax Counsel

D. Special Taxes Appeals Hearings

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

D1. [Azad Amiri and Nassrin Amiri, 313034 \(MT\)+](#)

For Petitioner: Azad Amiri, Taxpayer
Richard Stoll, Attorney
For Department: Carolee Johnstone, Tax Counsel

D2. [R & R Greene Living Trust, 221089 \(MT\)+](#)

For Petitioner: Roy E. Crawford, Attorney
For Department: Stephen Smith, Tax Counsel

Chief Counsel Matters**L. Property Tax..... Mr. Ambrose**

- Board Consideration of Findings and Decisions
 - L1. Golden State Water Company (101), 457748
 - L2. SureWest Telephone (294), 457483

Administrative Session**N. Consent Agenda..... Ms. Olson****N1. [Board Employee Retirement Resolutions+](#)**

Board approval of employee retirement resolutions.

- Michele H. (Mickie) Stuckey
- Roberto (Bob) L. Thome
- James B. Van Gundy

N2. Approval of Board Meeting Minutes

Request Board approval of the Board meeting minutes.

- [December 16 - 17, 2008+](#)
- [January 21 - 22, 2009+](#)

N3. [Approval of Board Meeting Date Change+](#)

Change Board/Assessors' Meeting from October 14 (Shell Beach) to August 12 (Squaw Valley)

N4. [Approval of Proposed Revisions to Compliance Policy and Procedures Manual Chapter 8, Consumer Use Tax+](#)

Revisions throughout the chapter to update the guidance provided and incorporate new policy and procedures.

N5. [Approval of Proposed Revisions to Audit Manual section 0611.15, Interstate Deliveries from California Stocks+](#)

Revisions to incorporate the application of the 12-month test period for vehicles purchased outside California on or after October 1, 2008.

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

O1. Customer Service and Administrative Efficiency Committee

P. Other Administrative Matters

There are no items for the following matters:

- P1. Executive Director's Report
- P2. Chief Counsel Report

P3 Deputy Director’s Report

a. Sales and Use Tax

There are no items for this matter.

b. Property and Special Taxes Mr. Gau

1. [Flavored Malt Beverages Testing Plan+](#)

- a. Flavored Malt Beverage Regulations implementation update, and proposed Product Testing Plan.
- b. Approval of Finance Letter #3 to establish a limited-term position and funding for contract laboratory services to perform workload to implement Flavored Malt Beverage Regulations.

~~2. [Fiscal Year 2009/10 Tobacco Products Rate Setting+](#)~~

~~Presentation of staff's Formal Issue Paper on Tobacco Products Rate Setting Methodology for the Board's consideration.~~

c. Administration Ms. Houser

1. Facilities Update

- a. Update regarding the on-going projects at 450 N Street.
- b. [Update on the site search to re-locate BOE employees+](#)

2. Budget Update 2008/09 and 2009/10

Information regarding the Spring Finance Letters, the status of the Governor’s Budget, and the Governor’s Executive Order S-16-08 State Employee Furlough. Possible Board action requested on approval of the Spring Finance Letters and possible direction regarding the Governor’s Budget and the Governor’s Executive Order S-16-08.

1:30 p.m. Board Meeting Reconvenes**

F. Public Hearings

F2. Business Taxpayers’ Bill of Rights HearingsMr. Gilman

Individuals have the opportunity to present their ideas, concerns, and recommendations regarding legislation, the quality of agency services, and other issues related to the Board’s administration of its tax programs. At the business taxes hearings you can comment on the administration of sales and use taxes, environmental fees, fuel taxes, and excise taxes and identify ways to resolve any problems identified in the Taxpayers’ Rights Advocate’s [Annual Report+](#).

- F3. Property Taxpayers' Bill of Rights Hearings Mr. Gilman
 Individuals have the opportunity to present their ideas, concerns, and recommendations regarding legislation, the quality of agency services, and other issues related to the Board's administration of its tax programs. At the property tax hearings you can comment on state and county property tax programs, and identify ways to resolve any problems identified in the Taxpayers' Rights Advocate's [Annual Report+](#).

Announcement of Closed Session Ms. Olson

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: *Ashok V. Parmar, et al. v. California State Board of Equalization*, Los Angeles County Superior Court Case No. BC 379013 (Gov. Code § 11126(e))
- Q3. Pending litigation: *Governor Arnold Schwarzenegger, et al. v. State Controller John Chiang, et al.*, Sacramento County Superior Court Case No. 34-2009-80000158 (Gov. Code § 11126(e))
- Q4. Pending litigation: *Schroeder, et al. v. Board of Equalization, et al.* Sacramento Superior Court Case No. 34-2008-00004467-CU-MT-GDS; *Frankot, et al. v. Board of Equalization, et al.*, Sacramento Superior Court Case No. 34-2008-00012174-CU-PO-GDS; and, *Allen, et al. v. Board of Equalization, et al.*, Sacramento Superior Court Case No. 34-2008-00017014-CU-TT-GDS (Gov. Code § 11126(e)(2)(B)(i))
- Q5. Discussion and action on personnel matters (Gov. Code § 11126(a))

Announcement of Open Session Ms. Olson

Adjourn

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Diane G. Olson, Chief
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