



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA
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JOHN CHIANG
State Controller

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Acting Member
Second District, Sacramento

RAMON J. HIRSIG
Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
April 13-14, 2010
NOTICE AND AGENDA
Meeting Agenda
Meeting Agenda (as of 5:30 p.m., 04/13/10)

Agenda Changes

Tuesday, April 13, 2010

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 scheduled for the first day may be postponed to the next day.

Board Committee Meetings*

Property Tax CommitteeMs. Steel, Committee Chair

- 1. Proposed Adoption of Assessors' Handbook Section 215, Assessment Map Standards for Manual Systems
Adoption of revisions to Assessors' Handbook Section 215, Assessment Map Standards for Manual Systems.
2. Status Report on Laser High-Speed Production Printers
Status Report on the property tax valuation factor study for laser high-speed production printers.

Board Meeting**

- 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 Gov. Code § 15626.)

B1. Thomas A. Leonardini and Karen M. Leonardini, 449478 +
For Appellant: Michael A. Thompson, Attorney
For Franchise Tax Board: Jason Riley, Tax Counsel
Bill Hilson, Tax Counsel

B2. Harvinder Singh Pahal and Satvinder Kaur, 487053 +
For Appellant: Matt Staub, Representative
For Franchise Tax Board: Jozel Brunett, Tax Counsel
Todd Bailey, Tax Counsel

C. Sales and Use Tax Appeals Hearings
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

~~C1a. Sally M. Gordon, 349938 (JH) +~~

~~C1b. Gordon's Restaurants, Inc., 349939 (JH) +~~

~~For Petitioners: Abe Golomb, Representative
For Department: Scott Lambert, Hearing Representative~~

~~C2. Joseph Peter Frument, 437274 (CH) +~~

~~For Petitioner: Abe Golomb, Representative
For Department: Chris Schutz, Tax Counsel~~

~~C3. Jaswant S. Sra, 437185 (UT) +~~

~~For Petitioner: Ratan Dev S. Dhaliwal, Representative
For Department: Cary Huxsoll, Tax Counsel~~

D. Special Taxes Appeals Hearings
There are no items for this matter.

E. Property Tax Appeals Hearing
This item is scheduled for the afternoon session.

F. Public Hearings
These items are scheduled for the afternoon session.

G. Tax Program Nonappearance Matters – Consent
(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)

G1. Legal Appeals MattersMr. Levine

- Hearing Notice Sent – No Response
 1. Steven John Biondi, 403194 (KH)
 2. Peter Alden Sartin, 473188 (AP)
 3. Kent Gene Miller, 415553 (KH)
- Petitions for Release of Seized Property
 4. Hamed Akbarzadeh, 514215 (ET)
 5. Ayman Hassan Shehadeh Odeh & Omar Mohammed Odeh, 513466 (ET)

- G2. Franchise and Income Tax MattersMs. Kelly
- Decisions
 1. Erika Bejarano, 472938
 2. Dominga P. Belen, 449318
 3. ~~Sylvia Bellew (Deceased) Philip K. Lee (Trustee), 459746~~
 4. Anup Bhowmik, 444144
 5. Eugene Cobb & Jacqueline Cobb, 450391
 6. Michael Denapoli & Rie Y. Denapoli, 479519
 7. Glen A. Dierckman, 478532
 8. John J. Hyland & Monica M. Hyland, 460067
 9. Han Suk Kim, 464310
 10. Colin Macnab & Caroline Macnab, 440891
 11. Daniel L. Mahnke, 473875
 12. Nick A. Marquez, 444652
 13. Betty Mattson, 483784
 14. Serban Porumbescu & Mihaela Porumbescu, 379542
 15. Darrell L. Rich, 462017
 16. ~~Barbara Talalemotu, 475326~~
- G3. Homeowner and Renter Property Tax Assistance MattersMs. Kelly
- Decisions
 1. Jibari Fite, 426725
 2. Theresa Hibpshman, 405006
 3. Arthur King, 463769
 4. Daisy Wachsmuth, 475485
- G4. Sales and Use Taxes MattersMs. Henry
- Redeterminations
 1. AAA Restaurant Fire Control, Inc., 493649 (CH)
 2. Canon U.S.A., Inc., 432709 (OH)
 3. Peerless Manufacturing Co., 491320 (OH)
 4. Océ Financial Services, Inc., 473623 (OH)
 - Relief of Penalty/Interest
 5. Gamestop, Inc., 521631 (OH)
 - Denials of Claims For Refund
 6. Charles Schwab & Co., Inc., 465764 (BH)
 7. ~~Federal Express Corporation, 332384 (OH)~~
 8. ~~Oracle Corporation, 316909 (BH)~~
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and RefundsMs. Henry
- Credit and Cancellation
 1. Home Depot USA, Inc., 521498 (OH)
 - Refunds
 2. Target Corporation, 506509 (OH)
 3. Southern California Graphics Corp., 288540 (AS)
 4. The Gap Stores, Inc., 351102 (BH)
 5. Wells Fargo Auto Finance, Inc., 421052 (BH)
 6. Charles Schwab & Company, Inc., 465764 (BH)

7. Hub Distributing, Inc., 507726 (EH)
8. Westside Building-Material Corp., 486325 (EA)
9. Los Angeles SMSA, Limited Partnership, 294952 (OH)
10. San Diego Unified School District, 483864 (FH)
11. Professional Hospital Supply, Inc., 482802 (EH)
12. Philips Semiconductors, Inc., 518172 (GH)
13. Safe Credit Union, 506176 (KH)
14. Kent's Oil Service, 444347 (KH)
15. Solarcom, Inc., 426878 (OH)
16. Cerner Corporation, 461707 (OH)
17. Merrill Corporation, 448408 (OH)
18. Rockwell Collins, Inc., 361940 (OH)
19. Oxford Instruments America, Inc., 467824 (OH)
20. Intel Corporation, 434861 (GH)
21. Royal Plywood Company, LLC, 491594 (AA)
22. Visterra Credit Union, 484299 (EH)
23. Wachovia Dealer Services, Inc., 492529 (EA)
24. Marvell Semiconductor, Inc., 356711 (GH)
25. AT&T Wireless Service of California, LLC, 514947 (OH)
26. Livingston Volkswagon, Inc., 523041 (AC)
27. Sequoia Voting Systems, Inc., 484622 (CH)
28. International Business Machine Corp., 384571 (OH)
29. American Airlines, Inc., 256349 (OH)
30. The Walt Disney Company, 435359 (OH)
31. Wescom Credit Union, 509162 (AP)
32. Lobel Financial Corporation, 504694 (EA)
33. Balboa Thrift & Loan Association, 504699 (FH)
34. Rancho Santa Fe Thrift & Loan, 489459 (FH)
35. Triad Financial Corporation, 470368 (EA)
36. Door Solutions, Inc., 484293 (AR)
37. ACC Consumer Finance, LLC, 478134 (FH)
38. The New York Times Sales, Inc., 493299 (OH)

- G6. Special Taxes Matters Mr. Gau
- Relief of Penalty
 1. Government Employees Insurance Company, 519523 (ET) 'CF'
 2. Geico Indemnity Company, 519524 (ET) 'CF'
 3. Geico General Insurance Company, 519529 (ET) 'CF'

There are no items for the following 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 Ms. Chiu
 - Petition for Release of Seized Property
 - 1. [Travel Traders Hotel Stores, Inc., 514222 \(ET\) +](#)
- H2. Franchise and Income Tax Matters Ms. Kelly
 - Decision
 - 1. Terry Jones, 420950
- H3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.
- H4. Sales and Use Taxes Matters Ms. Henry
 - Redetermination
 - 1. Bodybuilding.com, LLC, 467307 (OH)
- H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds
There are no items for this matter.
- H6. Special Taxes Matters Mr. Gau
 - Denial of Relief of Penalty
 - 1. Kern Oil & Refining Company, 467744 (MT) 'CF'

There are no items for the following 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
 - Unitary Land Escaped Assessments
 - 1a. AT&T Mobility, LLC (2606) 'CF'
 - 1b. OmniPoint Communications, Inc. (2748) 'CF'

There are no items for the following matters:

- I2. Offers in Compromise Recommendations
- I3. Local Tax Reallocation Matters

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

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

C4. [Allyn F. Taylor and Georgetta Taylor, 465848 \(KH\) +](#)

For Petitioner: Allyn F. Taylor, Taxpayer

For Department: Andrew Kwee, Tax Counsel

C5. [Neal O'Gilvy and Deanne O'Gilvy, 434977 \(UT\) +](#)

For Petitioner: Appearance Waived

For Department: Christine Bisauta, Tax Counsel

E. Property Tax Appeals Hearing

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

Welfare Exemption Claims**E1.a. [Alliance Member Services, Inc., 472460 +](#)****E1.b. [Nonprofits' Insurance Alliance of California, 472465 +](#)**

For Claimants: Pamela Davis, Taxpayer

Barbara Goode, Attorney

For Department: Andrew Jacobson, Tax Counsel

F. Public Hearings**F1. Property Taxes – State Assessee Presentations on the Valuation of State-Assessed Properties..... Mr. Thompson**

The Board will hear State assessee's presentations on the valuation of state-assessed properties.

Speakers: Peter Michaels, Law Office of Peter Michaels
 State Assessed Gas/Electric, Intercounty Pipeline,
 Telephone and Railroad Companies
 Richard Wiley, Law Office of Richard Wiley
 Sprint PCS

F2. [Business 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, including sales and use taxes, environmental fees, fuel taxes, and excise taxes, and 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, including state and county property tax programs, and any problems identified in the Taxpayers' Rights Advocate's [Annual Report](#).

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**..... Ms. Olson
(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)**N1. Retirement Resolutions +**

- Khoi Nguyen
- Mohan K. Pai
- Dharendra M. Patel
- Arturo P. Salbilla
- Raymond J. Saltzman
- Sid Zigelman

N2. Readjustment to the Prepayment of Sales Tax on Motor Vehicle Fuel +

Staff recommendation to readjust the rate, effective July 1, 2010, at which prepayment of sales tax is to be made for sales of motor vehicle fuel.

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

- O1. Legislative Committee – March 24, 2010
- O2. Property Tax Committee – April 13, 2010

P. Other Administrative Matters**P1. Executive Director's Report +** Mr. Hirsig**a. Analysis of Out-of-State Offices +** Ms. Henry

Report to the Board on operating cost information regarding the Houston, Chicago, and New York Out-of-State offices.
No Board action required.

b. Report on time extensions to Monterey and Sacramento Counties to complete and submit 2010/11 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155.+ Mr. Hirsig

- P2. Chief Counsel Report
There are no items for this matter.
- P3. Sales and Use Tax Deputy Director's Report Ms. Henry
 a. [Update on Unapplied Remittances +](#)
 Discussion of procedures for addressing certain unapplied remittances.
- P4. Property and Special Taxes Deputy Director's Report
There are no items for this matter.
- P5. [Administration Deputy Director's Report +](#) Ms. Houser
1. Facilities Update – These items provide information and may require Board action or direction.
 - a. Headquarters Facilities – There will be an update on the Headquarters remediation project.
 - b. Headquarters Annex - An update on the site search selection for the Headquarters annex locations.
 2. 2009/10 and 2010/11 Budget Update, Furlough Plan and Layoffs – These items provide information and may require Board action or direction.
 - a. Information may be provided to the Board regarding the Governor's 2009/10 Budget, Governor's Executive Order S-16-08 State Employee Furlough, and layoffs.
 - b. An update on the Governor's 2010/11 budget as it relates to the Board.
 - c. [Revenue generation concepts for possible inclusion in the Governor's Fiscal Year 2010-11 Budget +](#)
 1. ~~Underground Economy, Joint Enforcement Strike Force Augmentation~~
 2. ~~Collections Enhancement~~
 3. ~~Collections Cost Recovery Fee~~
- P6. Technology Deputy Director's Report
There are no items for this matter.

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: *Woosley v. State of California*, Los Angeles County Superior Court, Case No. B209890 (Gov. Code § 11126(e))

- Q3. Pending litigation: *Western States Petroleum Association v. State Board of Equalization*, Los Angeles Superior Court, Case No. BC 403167 (Gov. Code § 11126(e))
- Q4. 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))
- Q5. Pending litigation: *Schroeder, et al. v. State Board of Equalization, et al.* Sacramento Superior Court Case No. 34-2008-00004467-CU-MT-GDS; *Frankot, et al. v. State Board of Equalization, et al.*, Sacramento Superior Court Case No. 34-2008-00012174-CU-PO-GDS; and, *Allen, et al. v. State Board of Equalization, et al.*, Sacramento Superior Court, Case No. 34-2008-00017014-CU-TT-GDS (Gov. Code § 11126(e)(2)(B)(i))
- Q6. Discussion and action on personnel matters (Gov. Code § 11126(a))

Announcement of Open Session..... Ms. Olson

Adjourn ~~The meeting will reconvene on Wednesday, April 14, 2010, at 9:30 a.m. for any items not concluded.~~

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The hearing location is accessible to people with disabilities. Please contact Joann Richmond at (916) 322-1931, or e-mail Joann.Richmond@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.
- + 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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NOTICE AND AGENDA
Meeting Agenda (as of 5:30 p.m., 04/13/10)

Agenda Changes

Wednesday, April 14, 2010

9:30 a.m. Board Meeting Reconvenes**

Items agendized for the first day of this meeting, but not concluded, may be taken up today.

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CANCELLED