



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080
(916) 322-2270 • FAX (916) 324-3984
www.boe.ca.gov

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**

PRELIMINARY RECORD OF BOARD ACTIONS

Wednesday, May 30, 2012

The following is a preliminary record of Board actions taken at the May 30-31, 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 Claudia Madrigal at 916-324-8261 or email: Claudia.Madrigal@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

Board Meeting

State-Assessed Properties Value Setting

Property Tax Matter - 'CF'

Electric Generation Facilities
SBE Company Nos. 1100-1199

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|---------------|-------------------|
| Approved Staff Value Recommendations for consent items. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang | Yes |

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|---------------|---|
| Approved Staff Value Recommendations for non-consent items. | Mr. Horton | Yes |
| | Ms. Steel | Yes, except not participating in SBE Company No. 1126. |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang | Yes |

Energy Companies
SBE Company Nos. 100-199

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|---------------|-------------------|
| Approved Staff Value Recommendations for consent items. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang | Yes |

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|---------------|-------------------|
| Approved Staff Value Recommendations for non-consent items. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang | Yes |

Pipeline Companies
SBE Company Nos. 400-499

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|---------------|--|
| Approved Staff Value Recommendations for consent items. | Mr. Horton | Yes |
| | Ms. Steel | Yes, except not participating SBE Company No.'s 465, 467, 480, 486, and 488. |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang | Yes |

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|---------------|-------------------|
| Approved Staff Value Recommendations for non-consent items. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang | Yes |

Railroad Companies
SBE Company Nos. 800-899

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|---------------|-------------------|
| Approved Staff Value Recommendations for consent items. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang | Yes |

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|---------------|-------------------|
| Approved Staff Value Recommendations for non-consent items. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang | Yes |

Interexchange Telephone Companies
SBE Company Nos. 2000-2499 and 7500 -8999

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|---------------|-------------------|
| Approved Staff Value Recommendations for consent items. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang | Yes |

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|---------------|-------------------|
| Approved Staff Value Recommendations for non-consent items. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang | Yes |

Wireless Telephone Companies
SBE Companies Nos. 2500-3999

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---------------------------------------|---------------|-------------------|
| Approved Staff Value Recommendations. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang | Yes |

Local Exchange Telephone Companies
SBE Company Nos. 200-399

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---------------------------------------|---------------|-------------------|
| Approved Staff Value Recommendations. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang | Yes |

Board Member Annual Photograph

Board Committee Meetings Please see Page 19, O., Adoption of Board Committee Reports and Approval of Committee Actions, for voting results.

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**
- B1. ~~West Coast Aggregates, Inc., 446020~~
- B2. ~~Mark R. Trinder, 514344~~

B3. Mervin L. George, Sr. and Laura Lee George, 566204

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

B4. Mehdi Shahbazi and Fatemeh R. Shahbazi, 575095

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|--|------------------------|-------------------|
| Taxpayer's appeal denied. The Board directed staff to inform the taxpayer of the Offer in Compromise program. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

C. Sales and Use Tax Appeals HearingsC1. ~~Jasvir Singh Shahi, 303529 (CH)~~

C2. Fence America, Inc., 479354 (KH)

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|------------------------|-------------------|
| No final Board determination. 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 parties' submissions and provide its recommendation to the Board. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

C3. Bay Area Fence & Deck, Inc., 443761 (GH)

| <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 |

C4. Louis John Bonacich, Jr., 493991, 568375 (KH)

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|------------------------|-------------------|
| No final Board determination. 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 parties' submissions and provide its recommendation to the Board. | 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 HearingsF1. Proposed adoption of amendments to Regulation 1684, *Collection of Use Tax by Retailers*

| <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 |

F2. Timber Harvest Values

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|------------------------|-------------------|
| Approved timber harvest values as recommended by staff. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

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

- Hearing Notices Sent – No Response
 1. Alfredo Bello and Javier Bello Lopez, 515927 (BH)
 2. 1 Stop Gas & Food, 506818, 509450 (KH)
- Hearing Notices Sent – Appearance Waived
 3. NRU, Inc., 488852 (AP)
 4. Ronald Sam Basso, 535684
- Petition for Release of Seized Property
 5. Huong Thuy-Thi Le, 602381 (ET)

G2. Franchise and Income Tax 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 |

- Hearing Notices Sent – No Response
 1. Bill Hamlin, 572564
 2. Marc P. Pretscher, 554702
- Hearing Notice Sent – Appearance Waived
 3. Fredric Ankri, 574431
- Decisions
 4. Ad-Up Corporation, 505673
 5. Priscilla Brandt, 567686
 6. Bry Mar L.P., 520553
 7. Duarte Nursery, Inc., 549304
 8. Aaron M. Easley, Sr., 514439
 9. Jose I. Fernandez, 556641
 10. Angelica Garcia, 578832
 11. Cheryl Hanley, 552475
 12. Gerriane Johnson, 504723
 13. Dau L. Kao, 416436
 14. Angela Real, 536331
- Petition for Rehearing
 15. Sharon Alshams, 554896

- G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.

G4. Sales and Use Tax 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. Interline Brands, Inc., 547472 (OH)
 2. Hamdi Elsayed Elssisi, 476895 (GH)
 3. Miriam Wolverton, 563216 (AC)
 4. Williams-Sonoma Stores, LLC, 563985 (BH)
 5. Casa De Ceramica, Inc., 558089 (AA)
 6. S & J Palace Corporation, 521973 (AS)
 7. Blue Coral/La Jolla, LTD Partnership, 577396 (OH)
- Denials of Claims for Refund
 8. Capital One Auto Finance, Inc., 559363 (OH)
 9. Citicorp Trust Bank FSB & Affiliates, 506613 (OH)
 10. Nuvel Credit Company, LLC, 525126 (OH)

G5. Sales and Use Tax 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 11, 20 and 22 |

- Credits and Cancellations
 1. The Pitcher House, 603447 (AS)
 2. West Coast Conveyor & Equipment, Inc., 602397 (KH)
 3. Lawrence Thomas Hart, 605018 (AS)
 4. Rodney Hunt Company, Inc., 602683 (OH)
 5. Lakhinder Singh and Harjit S. Kaeley, 602395 (CH)
 6. Southwest Medical Resources, Inc., 602678 (EH)
- Refunds
 7. Natel Engineering Company, Inc., 554678 (AC)
 8. S.A. Camp Pump Company, Inc., 527178 (AR)
 9. Farm Pump & Irrigation Company, Inc., 604881 (AR)
 10. Western Digital Technologies, Inc., 601085 (EA)
 11. Sacramento Valley LTD Partnership, 601220 (OH)

12. Varian Medical Systems, Inc., 604991 (GH)
13. Allison Bavarian, 539388 (GH)
14. US Bancorp Equipment Finance, Inc., 565868 (OH)
15. Mercedes-Benz USA, LLC, 602036 (KH)
16. BMW of North America, 603212 (OH)
17. Lucky Brand Dungarees Stores, Inc., 601989 (OH)
18. Morgan Stanley Capital Group, Inc., 593636 (OH)
19. Bestbuy.com, Inc., 553635 (OH)
20. Verizon Wireless (VAW), LLC, 601222 (OH)
21. Stone Age Tile, Inc., 597393 (EA)
22. GTE Mobilenet of California, LP, 534853 (OH)
23. Capital One Auto Finance, Inc., 559363 (OH)
24. Basic Chemical Solutions, LLC, 593805 (BH)
25. Scholastic Book Fairs, Inc., 554386 (OH)
26. Transouth Financial Corporation, 592485 (OH)
27. San Mateo Credit Union, 554677 (BH)
28. Banana Republic, LLC, 435373 (BH)
29. Old Navy, LLC, 400786 (BH)
30. GPS Services, Inc., 435135 (BH)
31. American Auto Financing, Inc., 475408 (EA)
32. Citicorp Trust Bank FSB & Affiliates, 506613 (OH)
33. The Gap, Inc., 599780 (BH)
34. GPS Consumer Direct, Inc., 600099 (BH)
35. Diana Lee Chan, 594693 (AA)
36. Artistree, Inc., 572811 (AP)
37. Pacific Coast Steel, 523709 (FH)
38. Nuvel Credit Company, LLC, 525126 (OH)
39. Korvis Automation, Inc., 601128 (OH)

G6. Special Taxes 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 |

➤ Relief of Penalty

1. Santa Clara Family Health Plan, 604895 (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**H1. Legal Appeals Matters**

➤ Hearing Notice Sent – Appearance Waived

1. Sunburst Maintenance Co., Inc., 421808 (AP)

| <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 |

➤ Cases Heard Not Decided

2. Cherie Rose, Incorporated, 466880 (GH)

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

3. Bear Data Solutions, Inc., 521430 (GH)

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

H2. Franchise and Income Tax Matters

➤ Hearing Notice Sent – No Response

1. John E. Frantz, 461562

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

➤ Cases Heard Not Decided

2. Jimmy A. Prince, 535124

- H3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.
- H4. Sales and Use Tax Matters
➤ Denial of Claim for Refund
1. ~~International Business Machine Corporation, 524856 (OH)~~
- H5. Sales and Use Tax Matters – Credits, Cancellations, and Refunds
➤ Refunds
1. Gulfstream Aerospace Corporation (CA), 574256 (OH)

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---------------------------|------------------------|-------------------|
| Taxpayer's claim granted. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

2. ABF Data Systems, Inc., 522983 (FH)

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---------------------------|------------------------|-------------------|
| Taxpayer's claim granted. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

3. The Boeing Company, 213345 (OH)

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---------------------------|------------------------|-------------------|
| Taxpayer's claim granted. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

4. Chevron Credit Bank, N.A., 447146 (CH)

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---------------------------|------------------------|-------------------|
| Taxpayer's claim granted. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

5. International Business Machine Corporation, 524856 (OH)

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---------------------------|------------------------|-------------------|
| Taxpayer's claim granted. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

6. Chevron Credit Bank, N.A., 568665 (CH)

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---------------------------|------------------------|-------------------|
| Taxpayer's claim granted. | 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:

- 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 Tax 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 |

➤ Audits

1. Public Wireless, LLC (2785) 'CF'
2. Verizon Select Services, Inc. (7503) 'CF'
3. Teledata Solutions, Inc., (7980) 'CF'
4. Extenet Systems (California), LLC (8093) 'CF'
5. Peerless Network of California (8109) 'CF'

➤ Unitary Land Escaped Assessments

6. Southern California Edison (148) 'CF'
7. AT&T Mobility, LLC (2606) 'CF'
8. T-Mobile West Corporation (2748) 'CF'
9. SureWest Televideo (7961) 'CF'

➤ Board Roll Changes

10. 2008, 2009, 2010 and 2011 Board Rolls of State Assessed Property '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. Martha Hanna Dabbas
2. Robert Roy Miller
3. Chang Soon Song
4. Jay Allen Stalk
5. Daniel Martin Voshake

I3. Local Tax Reallocation Matters

➤ Petition for Rehearing

1. City of Fillmore, 466375

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|--|------------------------|-------------------|
| Jurisdiction's petition for rehearing granted. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

Chief Counsel Matters**J. Rulemaking**

These items are scheduled for Thursday, May 31, 2012.

There are no items for the following matters:

- K. Business Taxes
- L. Property Tax

M. Other Chief Counsel Matters

These items are scheduled for Thursday, May 31, 2012.

Administrative Session

The following items are scheduled for Thursday, May 31, 2012.

- 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 Thursday, May 31, 2012.



STATE BOARD OF EQUALIZATION

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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

PRELIMINARY RECORD OF BOARD ACTIONS

Thursday, May 31, 2012

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Board Meeting

C. Sales and Use Tax Appeals Hearings

Local Tax Reallocation Hearing

C5. Cities of Agoura Hills, Alameda, Albany, Bakersfield, Belmont, Berkeley, Beverly Hills, Brisbane, Calabasas, Campbell, Carlsbad, Chula Vista, Clovis, Compton, Cupertino, Daly City, Davis, Delano, Del Mar, East Palo Alto, El Cajon, El Monte, Emeryville, Escondido, Fillmore, Foster City, Fremont, Fresno, Gardena, Gilroy, Half Moon Bay, Hawthorne, Hayward, Kerman, Kingsburg, Los Angeles, Menlo Park, Milpitas, Moreno Valley, Morgan Hill, Palmdale, Palo Alto, Pasadena, Rancho Cordova, Rancho Palos Verdes, Redwood City, Reedley, Ridgecrest, Rolling Hills Estates, Roseville, Sacramento, San Bruno, San Diego, Sanger, San Jose, San Leandro, San Mateo, Santa Clara, Santa Fe Springs, Saratoga, Selma, Shafter, South San Francisco, Torrance, Union City, Westlake Village, West Sacramento, Woodland, Town of Los Gatos, Counties of Los Angeles and Sacramento, and City and County of San Francisco, 469672

Table with 3 columns: DECISION, MEMBER, BOARD VOTE. Row 1: City of Fillmore's petition denied and all other jurisdictions' petition granted. Mr. Horton, Ms. Steel, Mr. Runner, Ms. Yee, Mr. Chiang/ Ms. Mandel. All votes are Yes.

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|------------------------|-------------------|
| The Board directed staff to draft a Memorandum Opinion. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Not Participating |

Sales and Use Tax Appeals Hearings

C6. ~~William L. Donaldson, 468651 (OH) Appearance Waived~~

C7. 888-Auto Corporation, 414664, 443238 (GH)

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

C8. Swertfeger's Equipment, Inc., 420299, 431085 (EH)

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

C9. ~~Naim Jamali, 448789, 450475, 595326 (BH)~~

C10. Elizabeth Shutters, Inc., 538185 (EH)

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|--------------------------|------------------------|-------------------|
| Taxpayer's claim denied. | Mr. Horton | Yes |
| | Ms. Steel | No |
| | Mr. Runner | No |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

C11. Downtown Ford Sales, 522063 (KH)

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---------------------------|------------------------|-------------------|
| Taxpayer's claim granted. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

C12a. Lafi Faletese, 486189 (BH)—Appearance Waived

C12b. Vini Faletese and Lafi Liz Faletese, 486167 (BH)—Appearance Waived

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|--|------------------------|-------------------|
| Taxpayer's petition denied. Approved staff recommendation. The Board directed staff to inform the taxpayer of the Offer in Compromise program. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

C13. Richard Emil Navone and Daniel Joseph Navone, 336683 (KH)

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|------------------------|-------------------|
| Daniel Joseph Navone's petition granted. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |
| Richard Emil Navone's petition denied. The Board directed staff to inform the taxpayer of the Offer in Compromise program. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| | Mr. Runner | Yes |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

Chief Counsel Matters**J. Rulemaking****Section 100 Changes****J1. Specified Special Taxes and Fees Regulations**

| <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 |

J2. Property Tax Rule 263, Roll Corrections

| <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 |

M. Other Chief Counsel Matters

M1. Request for Authorization to file Amicus Curiae Brief: *California State Teachers Retirement System v. County of Los Angeles*, Los Angeles Superior Court Case No. BC389742, 2d Civ. No. B225245

| <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 | Absent |

M2. Request for Authorization to file Amicus Curiae Brief: *Joan Thayer, Marin County Assessor (Appellant) v. Marin County Assessment Appeals Board No. 1 (Respondent)*, Appellate Case No. A134340, First Appellate District, Division One

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|--------------------------------|------------------------|-------------------|
| Approved staff recommendation. | Mr. Horton | Yes |
| | Ms. Steel | No |
| | Mr. Runner | No |
| | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

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

- Richard B. Cohen
- Grey Gomez
- Jessie A. Ong
- Gordon F. Ralyea
- Rita Rogers

| <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 |

N2. Approval of Board Meeting Minutes

- January 31-February 2, 2012
- February 28-29, 2012

N3. Adoption of 4-R Act Equalization Ratio for 2012/13

N4. Proposed Revisions to Audit Manual Chapter 4, *General Audit Procedures*N5. Proposed Revisions to Audit Manual Chapter 8, *Bars and Restaurants*

N6. Adoption of Property Tax Forms

- BOE-64-SES *Initial Purchaser Claim for Solar Energy System New Construction Exclusion*
- BOE-67-A *Notice of Supplemental Assessment (Counties without Section 1605 provisions)*
- BOE-67-B *Notice of Supplemental Assessment (Counties with Section 1605 provisions)*
- BOE-236 *Exemption of Leased Property Used Exclusively for Low-Income Housing*
- BOE-236-A *Supplemental Affidavit for BOE-236, Housing—Lower-Income Households Eligibility Based on Family Household Income*
- BOE-261-G *Claim for Disabled Veterans' Property Tax Exemption*
- BOE-261-GNT *Disabled Veterans' Exemption Change of Eligibility Report*
- BOE-262-AH *Church Exemption Claim*
- BOE-263 *Lessors' Exemption Claim*
- BOE-264-AH *College Exemption Claim*

- BOE-266 *Claim for Homeowners' Property Tax Exemption (English and Spanish)*
- BOE-267 *Claim for Welfare Exemption, First Filing*
- BOE-267-S *Religious Exemption*
- BOE-268-A *School Exemption*
- BOE-268-B *Free Public Library or Free Museum Claim*
- BOE-502-D *Change in Ownership Statement Death of Real Property Owner*

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. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| For details see: | Mr. Runner | Yes |
| http://www.boe.ca.gov/legdiv/legmeetings12.htm | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

O2. Customer Service and Administrative Efficiency Committee

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|------------------------|-------------------|
| Adopted committee report and approved the actions therein. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| For details see: | Mr. Runner | Yes |
| http://www.boe.ca.gov/meetings/custsrv/custsrv12.htm | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

O3. Business Taxes Committee

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|------------------------|-------------------|
| Adopted committee report and approved the actions therein. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| For details see: | Mr. Runner | Yes |
| http://www.boe.ca.gov/meetings/btc2012.htm | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

O4. Property Tax Committee

| <u>DECISION</u> | <u>MEMBER</u> | <u>BOARD VOTE</u> |
|---|------------------------|-------------------|
| Adopted committee report and approved the actions therein. | Mr. Horton | Yes |
| | Ms. Steel | Yes |
| For details see: | Mr. Runner | Yes |
| http://www.boe.ca.gov/proptaxes/pctwplan12.htm | Ms. Yee | Yes |
| | Mr. Chiang/ Ms. Mandel | Yes |

P. Other Administrative Matters

- P1. Executive Director's Report
1. 2011 Holiday Food Drive Report
 2. Report on time extensions to Butte, Lake, Lassen, Los Angeles, Madera, Mariposa, Orange, Placer, San Joaquin, Santa Cruz, Sutter, Trinity and Yuba Counties to complete and submit 2012/13 Local Assessment Rolls, pursuant to Revenue and Taxation Code section 155.
 3. CROS Project Update and Actions
- P2. Chief Counsel Report
There are no items for this matter.
- P3. Sales and Use Tax Deputy Director's Report
1. ~~Update on the proposal to establish an Informant Reward Program~~
 2. No Cash Pilot Update
- P4. Property Tax and Special Taxes Deputy Director's Report
There are no items for this matter.
- P5. Administration Deputy Director's Report
1. Contracts Over \$1 Million

| <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 |

- a. Department of Motor Vehicles contract for collection of sales, use and/or special taxes pertaining to vehicles and undocumented vessels.
 - b. Department of Toxic Substances Control contract for collection of fees pertaining to hazardous waste.
2. Headquarters Facilities Update
 3. 2012/13 Budget Update - Information on the Governor's 2012/13 Budget may be provided.
 - a. Budget Change Proposals (BCP) - BCP's generated as part of the May Revise process.
 1. Centralized Revenue Opportunity System (CROS) – revised request for 113 positions and \$18,149,000 in FY 2012/13.
 2. Timber Regulation and Forest Restoration Fee – request for 13.3 positions and \$1,921,000 in FY 2012/13 to cover BOE's costs to administer the program.
 4. Creating a Culture of Excellence

- P6. Technology Deputy Director's Report
 - 1. BOE and the State of California's Technology Alignment Strategies
- P7. External Affairs Deputy Director's Report
 - There are no items for this matter.

Q. Closed Session

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