



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
June 25-27, 2012
NOTICE AND AGENDA
Meeting Agenda (as of 4:00 PM, 6/26/12)

[Agenda Changes](#)

[Webcast on Monday, June 25, 2012](#)

Monday, June 25, 2012

10:00 a.m. Board Meeting Convenes*

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.

Announcement of Closed Session Ms. Richmond

Q. Closed Session

Q1. Discussion and action on personnel matters (Gov. Code, § 11126(a)).

Announcement of Open Session..... Ms. Richmond

Recess - The meeting will reconvene on Tuesday, June 26, 2012, at 10:00 a.m.

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Joann Richmond, Chief
Board Proceedings Division

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- + Material is available for this item.
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Tuesday, June 26, 2012

10:00 a.m. Board Committee Meeting Convenes**

Board Meeting reconvenes upon Adjournment of the Board Committee Meeting*

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Board Committee Meeting**

Legislative Committee.....Mr. Horton, Committee Chairman

Discussion Item:

- 1. Update on Streamlined Sales Tax Project and Pending Federal Legislation on Remote Sellers.

Customer Service and Administrative Efficiency Committee.....

Ms. Steel, Committee Chairwoman

- 1. Collection and Levy Procedures—A Report on Collection and Levy Procedures used by the Board of Equalization.
2. U.S. Customs—Overview of the Customs Program and Process Improvements.

Business Taxes Committee.....

Ms. Yee, Committee Chairwoman

- 1. Proposed Regulation 4801 and amendments to Regulations 4601, 4603, 4604, and 4605 under the Cigarette and Tobacco Products Licensing Act
Request authorization to publish Regulation 4801 regarding transfers of cigarettes and tobacco products between retail stores, and amendments to existing regulations regarding the serving of notices and periods of suspension.

Board Meeting*

- A. Homeowner and Renter Property Tax Assistance Hearings
There are no items for this matter.
- B. Corporate Franchise and Personal Income Tax Hearing**
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)
- B1. Henry F. Lenartz and Nona M. Lenartz, 524571 +**
For Appellants: Michael Lenartz, Representative
For Franchise Tax Board: Ann Hodges, Tax Counsel
Bill Hilson, Tax Counsel
- C. Sales and Use Tax Appeals Hearings**
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)
- C1. Rajesh Prakash Sharma and Zarina Ali Sharma, 267189 (KH) +**
For Petitioners: Appearance Waived
For Department: Scott Lambert, Hearing Representative
- C2. Bruce Sam Chhuth and Bopha Tep, 401822, 420939 (KH) +**
For Petitioners: Appearance Waived
For Department: Scott Lambert, Hearing Representative
- ~~**C3. Point of Contact, Inc., 494400 (CH) +**~~
~~For Taxpayer: Bishop Tyrone T. Taylor, Representative~~
~~For Department: Erin Dendorfer, Tax Counsel~~
- D. Special Taxes Appeals Hearings**
These items are scheduled for Wednesday, June 27, 2012.
- E. Property Tax Appeals Hearings
There are no items for this matter.
- F. Public Hearings**
- F1. 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](#).

F2. [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](#).

F3. [Proposed adoption of amendments to Regulation 1618, United States Government Supply Contracts +](#).....Mr. Heller

The amendments make the regulation consistent with the Federal Acquisition Regulation (FAR) and clarify the requirements for sales for resale to the United States.

G. Tax Program Nonappearance Matters – Consent

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

G1. Legal Appeals MattersMr. Levine

- Hearing Notices Sent – No Response
 1. Kingdom Holdings, LLC, 464450, 535888 (EA)
 2. Hue V. Nguyen, 512848 (CH)
 3. Julie Trinh To, 528697 (CH)
- Petitions for Release of Seized Property
 4. Manjit Kumar, 605920 (ET)
 5. Vu Haduong, 605941 (ET)
 6. Mohinder Singh Aulakh and Hardip Kaur Aulakh, 607222 (ET)

G2. Franchise and Income Tax Matters Mr. Epolite

- Decisions
 1. James E. Butler, 492945
 2. Robin Beale Cameron, 552840
 3. James D. Crawford, 550717
 4. DF & RW, Inc., 563141
 5. Donald Ferris, 559100
 6. Inja Han, 535228
 7. Hiyasmin Harper, 569284
 8. Mark E. Holm, 554215
 9. Janice Tickner Leonard, 515738
 10. Kien D. Nguyen, 550763
 11. Julie A. Smith, 560396
 12. Guadalupe Isabel Vollowitz, 577721
 13. Williams-Sonoma, Inc. & Subsidiaries, 519857
 14. Justin Wilson, 550371
 15. Fariba Zaeni, 575031
- Petitions for Rehearing
 16. Kamleshwar C. Gunsagar and Anita Gunsagar, 484764
 17. Reyad Sarraj and Nouzat Kanbar, 495511

- G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.
- G4. Sales and Use Tax Matters.....Mr. McGuire
- Redeterminations
 1. VF Imagewear (West), Inc., 576306 (OH)
 2. Goosebumps, LLC, 459822 (GH)
 - Denials of Claims for Refunds
 3. Nissan Motor Acceptance Corporation, 531176 (OH)
 4. Toro Petroleum Corporation, 569989 (GH)
 5. Hyundai Capital America, 539349 (EA)
 6. KCI USA, Inc., 459612 (OH)
 7. Bloomberg, LP, 602935 (OH)
 8. Cellco Partnership, 493217 (OH)
 9. Oracle USA, Inc., 539350 (CH)
- G5. Sales and Use Tax Matters – Credits, Cancellations,
and RefundsMr. McGuire
- Credits and Cancellations
 1. Victor Sampson, 510321 (AC)
 2. Nhon V. Ha, 606428 (CH)
 3. Saeed Shadravan, 521439 (AA)
 - Refunds
 4. Nissan Motor Acceptance Corporation, 531176 (OH)
 5. Toro Petroleum Corporation, 569989 (GH)
 6. Chevron U.S.A., Inc., 567530 (BH)
 7. Vanderbeek Motors, Inc., 553177 (KH)
 8. Western Digital Technologies, Inc., 605744 (EA)
 9. Hyundai Capital America, 539349 (EA)
 10. CEC Entertainment, Inc., 524918 (OH)
 11. KCI USA, Inc., 459612 (OH)
 12. Bloomberg, LP, 602935 (OH)
 13. Ivy Hill Corporation, 531331 (OH)
 14. Earnhardt Aviation, LLC, 595083 (UT)
 15. Westinghouse Electric Company, LLC, 531012 (OH)
 16. Cellco Partnership, 493217 (OH)
 17. Sam International Information Technology, Inc., 536225 (GH)
 18. Vision Advertising, Inc., 496576 (AS)
 19. Sierra Central Credit Union, 594076 (KH)
 20. International Communications, Inc., 486228 (AA)
 21. Applied Aerospace Structures Corporation, 606063 (KH)
 22. Oracle USA, Inc., 539350 (CH)
 23. Family Products, LLC, 604034 (AC)
 24. Verint Americas, Inc., 589721 (OH)
 25. Premier Auto Credit, 466582 (AC)
 26. ATS Automation Tooling System, Inc., 578096 (OH)
 27. Summit Entertainment, LLC, 593637 (AS)

- G6. Special Taxes Matters Mr. Gau
 ➤ Relief of Penalty
 1. Blue Cross of California PTN Plan, 604898 (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 MattersMr. Levine
 ➤ Cases Heard Not Decided
 1. [Eric Anthony Guidice, 380212 \(ET\) +](#)
 2. [Malvinder Sonny Matharu, 515190 \(MT\) +](#)
- H2. Franchise and Income Tax Matters Mr. Epolite
 ➤ Hearing Notice Sent – Appearance Waived
 1. Reginald D. Davis and Rebecca J. Joslin-Davis, 534788

There are no items for the following 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

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

- I1. Property Tax Matters Mr. Gau
 ➤ Board Roll Changes
 1. 2008, 2009, 2010, and 2011 Board Rolls of State-Assessed Property 'CF'
- I2. Offer in Compromise RecommendationsMr. Anderson
 1. David Paul Curtis
 2. Joan M. Dandoy
 3. Harry Fred Koelling
 4. Kuo Tai Lei
 5. Samer Naim Musharbash
 6. Jacob Peter Schildgen
 7. Gloria Lynn Stoddard
 8. Martin Bryce Wolter

- I3. Local Tax Reallocation Matters.....Ms. Nienow
- Waived Appearance
 1. Cities of Anaheim, Antioch, Brea, Chula Vista, Concord, Corona, El Cajon, Escondido, Fairfield, Fresno, Modesto, Oceanside, Pomona, Redding, Richmond, Riverside, Roseville, Sacramento, San Bernardino, San Diego, San Jose, San Leandro, Santa Ana, Santa Clara, Santa Clarita, Santa Rosa, Simi Valley, Stockton, Tustin, Vallejo, and County of Sacramento, 510883, 510895, 511174, 511175, 511178, 511193, 511194, 511196, 511456, 511627 +

Chief Counsel Matters

There are no items for the following matters:

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

Administrative Session

The following items are scheduled for Wednesday, June 27, 2012.

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

Announcement of Closed Session Ms. Richmond

Q. Closed Session

- Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code, §§ 6901, 7093.5, 30459.1, 50156.11).
- Q2. Pending litigation: *City of Palmdale et al. v. State Board of Equalization*, Los Angeles County Superior Court, Case Number BS124919; *City of Los Angeles v. State Board of Equalization*, Los Angeles County Superior Court, Case Number BS124950; *City of Alhambra, et al., v. State Board of Equalization*, Los Angeles County Superior Court, Case Number BS124978; Second District Court of Appeal No. B 232833 (Gov. Code § 11126(e)).

- Q3. 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)).
- Q4. Discussion and action on personnel matters (Gov. Code, § 11126(a)).

Announcement of Open Session..... Ms. Richmond

Recess - The meeting will reconvene on Wednesday, June 27, 2012, at 9:30 a.m.

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Board Meeting*

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

~~C4. James Michael Duggan, 441787 (UT) +~~

~~For Taxpayer: James Michael Duggan, Taxpayer
For Department: Pamela Mash, Tax Counsel~~

C5. Ralph Louis Tocci, 460529, 468214 (CH) +

For Petitioner/Claimant: Ralph Tocci, Taxpayer
Kevin McRae, Representative
For Department: Andrew Kwee, Tax Counsel

C6. Hung Van Pham, 486918 (BH) +

For Petitioner: Ngoc Le, Representative
For Department: Scott Lambert, Hearing Representative

D. Special Taxes Appeals Hearings
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

D1. California Insurance Company, 457613 (ET) 'CF' +

For Petitioner: Jeffrey Silver, Attorney
For Department: Carolee Johnstone, Tax Counsel
For the Department of Insurance: Laszlo Komjathy, Staff Counsel

- D2. Hamid Maghsoudi and Ghazal Valiye, 438138 (MT) +**
 For Taxpayers: Hamid Maghsoudi, Taxpayer
 Ghazal Valiye, Taxpayer
 For Department: Pamela Mash, Tax Counsel

Administrative Session

Items that appear under these matters provide information to the Members and may require Board action or direction.

N. Consent Agenda Ms. Richmond
 (Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

N1. Retirement Resolutions +

- Peggy Robinson
- Shirley Smith
- Georgia Warner
- Kaylyn Warren

N2. Approval of Board Meeting Minutes

- **March 20-21, 2012 +**

N3. Approval of Board Meeting Date Change +

Proposal to change Board/Assessors' Meeting from August 8, 2012 (Olympic Valley) to November 15, 2012 (State Capitol Building in Sacramento).

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

- O1. Legislative Committee
- O2. Customer Service and Administrative Efficiency Committee
- O3. Business Taxes Committee

P. Other Administrative Matters

P1. Executive Director's Report Ms. Cazadd

1. **Report on time extension for Alpine, Amador, Colusa, El Dorado, Inyo, Mendocino, Monterey, Plumas, San Luis Obispo, Sierra, Sonoma, and Tehama Counties to complete and submit 2012/13 Local Assessment Rolls, pursuant to Revenue and Taxation Code section 155. +**
2. **CROS Project Update and Actions** Mr. Steen
 Progress on the CROS project to replace BOE's two current tax legacy technology systems.
3. **Introduction of Proposed Customer Service Improvements Initiative +** Mr. McGuire/ Mr. Gilman/ Mr. Gau

P2. Chief Counsel Report
 There are no items for this matter.

- P3. Sales and Use Tax Deputy Director's ReportMr. McGuire
1. **Collection Cost Recovery Fee +**
Update and recommendations for 2013 collection cost recovery fee rates.
- P4. Property Tax and Special Taxes Deputy Director's Report..... Mr. Gau
1. **Fire Prevention Fee Program +**
A general update on the Fire Prevention Fee Program implementation.
- P5. Administration Deputy Director's Report + Ms. Houser
1. **Contract Over \$1 Million +**
Microsoft contract for productivity software products and services under a 5-year Enterprise Agreement for products used by all BOE employees.
 2. **Headquarters Facilities Update**
A general update on the 450 N Street building may be provided.
 3. **2012/13 Budget Update**
Information on the Governor's 2012/13 Budget may be provided.
 4. **2013/14 Budget Concepts +**
Budget Change Proposals for possible inclusion in the Governor's Fiscal Year 2013/14 Budget.
 - a. Fuel Tax Swap Refund Workload
 - b. FISCAL Implementation Resources
 - c. Headquarters Consolidation
 - d. Accounts Receivable Growth
 - e. Special Taxing Jurisdictions Increased Workload
- P6. Technology Deputy Director's Report
There are no items for this matter.
- ~~P7. External Affairs Deputy Director's Report Mr. Garza~~
- ~~1. **BOE Logo Presentation**
Proposal for a new BOE logo.~~

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Adjourn

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