



**STATE BOARD OF EQUALIZATION**

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Third District, Long Beach  
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State Controller, Sacramento

TIMOTHY W. BOYER  
Interim Executive Director

**STATE BOARD OF EQUALIZATION MEETING  
450 N Street, Room 121, Sacramento**

**NOTICE AND AGENDA**

**WEDNESDAY, JULY 9, 2003**

**BOARD COMMITTEE MEETING\* (convenes at 9:30 a.m.)**

❖ **BUSINESS TAXES COMMITTEE**

Mr. John Chiang, Chairman

Mr. Ramon Hirsig, Staff (916) 445-1441

- Proposed regulation to implement SB 1901 (Statutes 2002) regarding an exemption from the prepaid sales tax on sales of diesel fuel to certain retailers for resale inventory (proposed Regulation 1598.1, *Diesel Fuel Prepayment Exemption*)

**BOARD MEETING\*\* (convenes upon adjournment of the Business Taxes Committee)**

❖ **PROPERTY TAX MATTERS**

- Adoption of the 2003-04 Private Railroad Car Tax Rate – “CF”
- Adoption of the 2003 State Assessed Property Roll – “CF”
- Adoption of the 2003 Private Railroad Car Roll – “CF”

❖ **CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS**

- Mario Tejada, 162754
- Tony P. Hoang, 182609
- Ram Narayan, 202132
- Georgia Thompson, 192644
- Maurice A. Mayben, Jr., 186286
- Shirley A. Mayberry, 181462

❖ **SALES AND USE TAX APPEALS HEARINGS**

- William T. Rowlands, et al., 114639
- Bobby R. and Mary H. Boydston, 37254, 37252
- Costco Wholesale Membership Company, 132058
- Thomas Air Systems, Inc., 63099
- David Paul Posey, 140651
- Ali Ghafouri, et al, 112028
- Sam D'Ambrosio, 145476
- Career Aviation Company, Inc., 99048

## ❖ PUBLIC HEARINGS

- [Proposed Amendments to Property Tax Rules 462.040, Change in Ownership - Joint Tenancies and 462.240, The Following Transfers do not Constitute a Change in Ownership](#)

The proposed changes to Rule 462.040 interpret and explain the means by which joint tenants may become original transferors and the circumstances that terminate original transferor status. Under these changes, an assessor may deem co-owners to be joint tenants and original transferors if the assessor determines, based upon reasonable cause, that the co-owners intended to hold title as joint tenants and that they became original transferors. The proposed changes to Rule 462.240 interprets Probate Code provisions to exclude from change in ownership transfers from a deceased registered domestic partner to a surviving domestic partner.

- [Proposed Adoption of Sales and Use Tax Regulation 1620.1, Sales of Certain Vehicles & Trailers for Use in Interstate or Out-of-State Commerce](#)

Proposed Regulation 1620.1 is proposed to be promulgated to interpret, implement and make specific Revenue and Taxation Code sections 6388 and 6388.5. The regulation is proposed to provide definitions of key terms; addresses the application of tax to sales of certain vehicles and trailers delivered to purchasers in California; provides criteria for properly completing an affidavit; provides guidelines for lessors; and provides record-keeping requirements for purchasers of the vehicles and trailers.

## ❖ TAX PROGRAM NONAPPEARANCE MATTERS - ADJUDICATORY

### A. Legal Appeals Matters

- Hearing Notice Sent—No Response
  1. C & D Industrial Supply, Inc., 134879
- Hearing Request Withdrawn
  2. ~~Paramount Pictures Corporation, 89000019140~~
- Cases Heard But Not Decided
  3. Loma Linda Merchantile, 51644, 89000411980
  4. Plastic Pilings, Inc., 104744
  5. Valor Computerized Systems, Inc., 87726, 140629
- Petition for Release of Seized Property
  6. Parmodh Chander and Usha Rani, 214696
  7. Parmodh Chander and Usha Rani, 215463

### B. Franchise and Income Tax Matters

- Decisions
  1. Kennebeck Editions, LLC, 172823
  2. Robert and Carol Lienau, Jr., 156798  
Vaughn P. and Cherye L. Dickson, 156808  
Anthony J. and Jacqueline Lienau, 156810  
Paul A. and Christine Finie, 156814
  3. Oryx Energy Company & Sun Company, Inc. (R&M), 59288
- Opinion on Petition for Rehearing
  4. California Steel Industries, Inc., 160703
- Matters for Board Consideration
  5. Conopco, Inc., 129732  
Indopco, Inc., 129739  
Sequoia-Turner Corp., 129741

**C. Homeowner and Renter Property Tax Assistance Matters**

- Decisions
  1. Rick Jenkins, 193298
  2. Michael Joseph, 173490
  3. Khana Khanis, 187789
  4. Carolyn R. Sawin, 172395

**D. Sales and Use Taxes Matters**

- Relief of Penalty
  1. Micromass, Inc., 216089
  2. KMC Funding Corporation, 218204
  3. KMC Millennium, LLC, 218182

**❖ TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT****E. Legal Appeals Matters**

- Petitions for Rehearing
  1. Kuroki International, Inc., 117153
  2. Advanced Information Services, Inc., 149828
- Hearing Request Withdrawn
  3. Regal Truck & Equipment Corporation, 128573

**F. Franchise and Income Tax Matters**

- Decisions
  1. Hugo Aguas, 164540
  2. Remigio I. and Nenita D. Agustin, 183945
  3. Donald L. and Geraldine Fogleson, 173224
  4. Anne Frederick, 195047
  5. Neville Fridge, 188554
  6. Hancock Financial, Inc., 187089
  7. Gilbert Hansen, 186455
  8. Annette Hasalone, 187091
  9. Stephen and Elaine Hayden, 174615
  10. Nathan A. and Julene Jez, 192293
  11. John R. Kenny, 187217
  12. Harry Madsen, 183951
  13. Arnold I. and Rona K. L. Mandel, 186853
  14. Lucretia Moramarco, 188464
  15. Pac/Gro & Associates, LLC, 198111
  16. Pine Needles, LLC, 195968
  17. Greg Sanchez, 202265
  18. Jay L. Schneider, 158354
  19. Mark E. Stamos, 167885
  20. Otto and Jill Stolz, 188238
  21. Ronald J. Stucker, 186955
  22. United Fixtures Company, 195915
  23. Sheng-Chuan Wu, 195948
  24. Ganquan Xie, 186946
- Petitions for Rehearing
  25. David L. (Deceased) and Juanita F. Thomas, 31869  
Donald and Julie Galloway, 89002467700
  26. Michael and Barbara Longbrook, 153386
  27. John C. and Yoshi Ryan, 160247
  28. Bruno W. and Grace Scherrer, 174167
  29. Jun Zhang, 174057

**G. Homeowner and Renter Property Tax Assistance Matters**

- Decisions
  1. Dennis Dunham, Jr., 187473
  2. Ralph A. Espinosa, 197596
  3. Dennis Friesen, 196111
  4. Aerisina George, 191404
  5. Marcus Grisby, 192164
  6. Ren Harris, 196169
  7. Sharon Howard, 196180
  8. J. B. Jacobs, 194392
  9. Ghanem Jajoo, 204096
  10. Philip Jevanian, 203083
  11. Philip Jevanian, 204050
  12. Sherrie A. Jones, 196714
  13. Cheryl Kelly, 204057
  14. Maria Kogan, 203277
  15. Polina Krapivskaya, 198661
  16. Wesley Levy, 191357
  17. Mary C. Marlowe, 188146
  18. Folisha Murphy, 191441
  19. Feliciano M. Nagac, Sr., 208078
  20. Angie Porras, 198570
  21. Martin R. Ramirez, 208525
  22. Sandra Garcia Ramon, 188143
  23. Calvin Smith, 201713
  24. Elizabeth J. Taylor, 165085
  25. Raymon E. Taylor, 199153
  26. Pramruedee Whitmore, 204052
- Petition For Rehearing
  27. Yevgenya Shevtsov, 151096

**H. Sales and Use Taxes Matters**

- Redeterminations
  1. The Gap Stores, Inc., 57849
  2. D.L. Peterson Trust, 186470
  3. Olympus America, Inc., 113008
  4. Philadelphia Gear Corporation, 186762
  5. Big Birdie Aviation, LLC, 204723
  6. Garthorpe, Inc., 212210
  7. Solunet, Inc., 152304
  8. Paintball, Inc., 195303
  9. Minntech Corporation, 194376
  10. Prestone Products Corporation, 194026
  11. Summit Technology, Inc., 116260
- Denials of Claims for Refund
  12. Cox Satellite, Inc., 220131
  13. General Electric Company, 216145

**I. Sales and Use Taxes Matters – Credits, Cancellations and Refunds**

- Credits and Cancellations
  1. Quest Advertising, LLC, 220090
- Refunds
  2. Owens & Minor West, Inc., 94279
  3. Imagic, 89000030790
  4. Telamon Corporation, 151633
  5. Regents of the University of California, 215844
  6. Fireside Thrift Company, 212795

7. House of Imports, Inc., 219337
8. Pacific Coast Steel, Inc., 216135
9. Salomon Smith Barney, Inc., 203736
10. Cox Satellite, Inc., 89000880960
11. Chevrolet Motor Division, 219523
12. OTG Software, Inc., 110524
13. Hewlett-Packard Company, 184606
14. Kia Motors America, Inc., 183922
15. First Entertainment Credit Union, 218405

❖ **CHIEF COUNSEL MATTERS – NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE**

**J. Property Tax Matters**

- Consideration of Findings and Decision
  1. East Bay Municipal Utility District acting by and through the Garamendi Family Trust and the Raymond V. Garamendi Exemption Trust, 194594

❖ **CLOSED SESSION**

- Discussion and action on Personnel Matters (Govt. Code § 11126(a))

❖ **ADMINISTRATIVE SESSION**

- [Proposed 2003 Board Meeting Date Cancellation](#)
- **CONSENT AGENDA**
  - [Approval of Board Employee Retirement Resolutions](#)
    - Rachel M. Aragon
    - Michael Schwander
  - [Approval of extensions of time to complete and submit 2003-04 Local Assessment Rolls pursuant to Revenue and Taxation Code section 155 granted to Alpine, Colusa and Monterey Counties](#)
- **BOARD COMMITTEE REPORTS**
  - Approval of the July 9, 2003 Board Committee Minutes
    - Business Taxes Committee

If you would like specific information regarding items on this Board Meeting Agenda Notice please telephone (916) 322-2270 or e-mail: [MeetingInfo@boe.ca.gov](mailto:MeetingInfo@boe.ca.gov). Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

Deborah Pellegrini, 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.

"CF" Constitutional Function - The Deputy State Controller may not participate in this matter under Government Code section 7.9.

If substantial revisions to the published text of the regulations are approved at the hearing, the regulations will be re-published for a new hearing date. If only revisions sufficiently related to the published text of the regulations are approved, a notice containing these revisions will be mailed to those persons who commented

orally or in writing or who asked to be informed of such revisions. The notice will be mailed at least 15 days prior to the scheduled Board adoption of the regulations to allow time for additional comments.

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of items as they appear on the agenda. Any committee agenda item may be brought to the Board at its next meeting. The hearing location is accessible to the disabled. If you require special assistance, please contact Gary Evans at (916) 445-4394, or e-mail [Gary.Evans@boe.ca.gov](mailto:Gary.Evans@boe.ca.gov), to make special arrangements.