



STATE BOARD OF EQUALIZATION
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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, September 24, 2003

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of items as they appear on the agenda.

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

❖ **BUSINESS TAXES COMMITTEE**

Mr. John Chiang, Chairman

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

- Proposed regulatory changes to incorporate provisions of AB 2701 (Statutes 2002) regarding taxes imposed by Indian tribes (Regulation 1616, Federal Areas)

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

❖ **SENIOR CITIZEN & HOMEOWNERS AND RENTER ASSISTANCE CLAIMS HEARINGS**

- Raphael Ganon, 199150

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

- Robert M. and Lois F. Ling, 133712
- Robert W. Abbott, 208993
- Pradeep Batra, 192221
- Hunt Systems, LLC, 205261
- Bill B. and Sandra L. Robinson, 203265
- Ruth Scherfenberg, 186944

❖ **SALES AND USE TAX APPEALS HEARINGS**

- Tahoe City Plaza, Inc., 160885
- Lezah Jazzmens, Inc., 167420
- Michael Wayne Austin, et al., 135313, 88432
- Kassabian Motors, Inc., 87623
- Applied Process Cooling Corp., 113320
- Amtek Computer Services, Inc., 128567

❖ **PROPERTY TAX HEARINGS – ESCAPED ASSESSMENTS**

- MPower Communications Corporation (7724), 221745 – “CF”
- TCAST Communications, Corporation (7625), 214613 – “CF”

❖ PROPERTY TAX HEARINGS – REASSESSMENT OF UNITARY VALUE

- PacWest Telecomm (2043), 224022 – “CF”
- SBC ASI (7885), 222966 – “CF”

❖ PUBLIC HEARING

➤ Proposed Adoption of Sales and Use Tax Regulation 1598.1, Diesel Fuel Prepayment Exemption

Proposed Regulation 1598.1, *Diesel Fuel Prepayment Exemption*, is proposed to be promulgated to interpret, implement and make specific Revenue and Taxation Code section 6480.3. The regulation is proposed to define terms used in Senate Bill (SB) 1901; clarify criteria under which a seller of diesel fuel may accept a diesel fuel prepayment exemption certificate; provide guidelines on the form of a diesel fuel prepayment exemption certificate; clarify a retailer’s liability for tax when the diesel fuel is resold; and, explain the penalties for misuse of a diesel fuel prepayment exemption.

❖ TAX PROGRAM NONAPPEARANCE MATTERS - ADJUDICATORY

A. Legal Appeals Matters

- Cases Heard But Not Decided
 1. Seiniger Advertising Inc., 41251

B. Franchise and Income Tax Matters

- Decisions
 1. Sonia Gregerson, 115484
 2. Wendy K. Mascorro, 143533
- Matters for Board Consideration
 3. Hernan A. Jacobo, 172837
- Petition for Rehearing
 4. Robert A. Lelito, 187221

C. Homeowner and Renter Property Tax Assistance Matters

- Decisions
 1. Rick Jenkins, 193298

D. Sales and Use Taxes Matters

- Redeterminations
 1. Reebok International Ltd., 168214

E. Sales and Use Taxes Matters - Credits, Cancellations and Refunds

- Refunds
 1. Regents of the University of California, 92868
 2. Siemens Info & Commctn Mobile LLC, 87589

❖ TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT

F. Legal Appeals Matters

- Petitions for Rehearing
 1. Brynnco, Inc., 40886, 83788
 2. Gary Fisher and Terry Edwards, 89002181700
 3. Michael P. and Kristy S. Shelley, 17161
- Hearing Notice Sent – No Response
 4. Larry’s Auto Sales, Inc., 164577
 5. First Portland Corporation, 171098
- Hearing Request Withdrawn
 6. Kambiz Pahlavan, 143941
 7. Fence Builders, Inc., 129292

8. Pacific Office Group, Inc., 142706
CAL PAC, LLC, 143467
9. New York Life Insurance Company, 17609, 17610, 17611 – “CF”
- Petition for Release of Seized Property
10. Yassin Al Rubai, 222955

G. Franchise and Income Tax Matters

- Decisions
 1. David Andrew Allen, 183720
 2. Delois Allen, 195790
 3. Jaymes W. Barnes, 203372
 4. Angel R. Bedrillana, 188083
 5. James Bohnenstiehl, 202285
 6. Randell and Debbie Brenner, 194708
 7. Philip D. and Shirley Brent, 186402
 8. Claire Bruno, 195785
 9. Ari Castano, 184844
 10. Larry Chapin, 203447
 11. Donald W. Collins, 195437
 12. Christopher Cortez, 207815
 13. Creative Imaginations, Inc., 195328
 14. CSN&Y, Inc., 203284
 15. Lewis Erhart, 205245
 16. Kyndal Hays, 203454
 17. Paul S. Heichman, 196907
 18. Kathy Nicholson Hull, 195665
 19. Allan Jones, 195674
 20. David L. Josephson, 205927
 21. Debbie N. Ushiroda, 197788
Jo-Anne Kobayashi, 201816
 22. Douglas and Janine Leishear, 205946
 23. James August Makau, 206951
 24. Clayton and Kathleen Marr, 203176
 25. Lillie M. McQuerter, 216973
 26. Bobbie J. Mulholland, 210244
 27. Carolina Padilla, 202129
 28. Meliton Salva, 202280
 29. Jason Seno, 195041
 30. Pouran Siani, 206165
 31. Mark D. Soto, 188244
 32. Joseph Sparacino, 196908
 33. Joan C. Stanwyck, 174143
 34. Murray Stein, 203452
 35. Adrian Watts, 195158
 36. Shaukat H. and Shamtm Zaidi, 186966
- Opinion on Petition for Rehearing
 37. James N. Harger, 171249
- Petitions for Rehearing
 38. Laura Hass, 173223
 39. Ladislaus L. Braun Trust, 181673
 40. John Laszloffy, 181677
 41. Andres Munoz, 181463
 42. John J. and Angela O'Brien, 173481
 43. Colette Penchina (Deceased), 172131
Claude and Meira Penchina, 172132
 44. William D. Tyler, 172934

H. Homeowner and Renter Property Tax Assistance Matters

- Decisions
 1. Willie Alexander, 193943
 2. John D. Belcher, 193940
 3. Mary Brady, 206498
 4. Tricia Brotherton, 209619
 5. Lorraine C. Bryant, 202289
 6. Margaret Y. Burnett, 193462
 7. Thong Chanthaphone, 206963
 8. Mary Coles, 193450
 9. Chan A. Dan, 193942
 10. Lori Davis, 196113
 11. James E. DeLonge, 201698
 12. Kimberly Dougherty, 208912
 13. Paciencia Galima, 207695
 14. Tina Louise Garman, 208278
 15. Dexter Glover, 207134
 16. Robert Hall, 197595
 17. Eugene Henry, 207692
 18. P. A. Hunt, 208285
 19. Kay Kuhlenbeck, 212485
 20. Juanita Landry, 212519
 21. Shirley Mannery, 198658
 22. Billy L. Olson, 214261
 23. Peaches D. Parker, 214299
 24. Bennie Rainwater Shaw, 206959
 25. Michael Shedd-James, 204104
 26. Joe J. Soldevila, 203093
 27. Myrna Vallejo, 214612
 28. Phill Williams, 198993
 29. Beba Zaslavskaya, 209816
- Petition for Rehearing
 30. Maxine McIntosh, 194147

I. Sales and Use Taxes Matters

- Redeterminations
 1. Performance Trailer, Inc., 157321
 2. Computer Sales Intn'l, Inc., 158229
 3. Intertel Technologies, Inc., 93428
 4. Ericsson Components, Inc., 182962
 5. Pilot Oil Corporation, 216192
 6. Pilot Oil Corporation, 216194
 7. Alberto Tolot Corporation, 129833
 8. Francisco Escorcía Perez, 151315
 9. Newedit, Inc., 203820
- Denials of Claims for Refund
 10. Fresh Express Inc., 235805
 11. Simon & Schuster, Inc., 160668
 12. IBM Credit Corporation, 235828
 13. Check Solutions Company, 153299
 14. European Health Concepts, Inc., 203313
 15. General Electric Company, 236013
 16. CCW&D, Inc., 187587

J. Sales and Use Taxes Matters – Credits, Cancellations and Refunds

- Credits and Cancellations
 1. Wells Fargo Bank, 234439
 2. CGII San Francisco Holdings, Inc., 235812

3. Fast Industries Limited, 207938
4. Andresen Color San Francisco, Inc., 235125
- Refunds
 5. Arvato Services, Inc., 216098
 6. Midway Hospital Medical Center, 225094
 7. Long Beach School Employees FCU, 128295
 8. Hardy Media, 234539
 9. Fresh Express Incorporated, 63153
 10. Pharmacy Corporation of America, 50453
 11. Marukin Corporation, 157154
 12. Genentech, Inc., 192035
 13. Evans & O'Brien, Inc., 225237
 14. Loma Linda Mercantile, 51647
 15. Lambesis, Inc., 201888
 16. IKOS Systems, Inc., 157136
 17. Jeld Wen, Inc., 79058
 18. Hertzberg-New Method, Inc., 212949
 19. Mead Johnson & Company, 234100
 20. Sud-Chemie, Inc., 208347
 21. IBM Credit Corporation, 103258
 22. Ford Motor Company, 224726
 23. Louisiana-Pacific Samoa, Inc., 216177
 24. AP/APH Palm Springs, L.P., 196275
 25. AP/APH Palm Springs, L.P., 225274
 26. Rose Gene Technology L.L.C., 235003
 27. California Newspapers LP, 190677
 28. West Coast Medianews LLC, 190680
 29. TVN Shopping, Inc., 202976
 30. CJ-7 Resources, Inc., 235808
 31. General Electric Company, 89002085730
 32. American Honda Motor Co., Inc., 234533
 33. Circuit City Stores Wst Cst, Inc., 213331
 34. Wescom Credit Union, 230780
 35. Applied Graphics Technologies, Inc., 89002431780
 36. Robertson Stephens, Inc., 203149
 37. Xcellenet, Inc., 216158
 38. Electronic Innovations, Inc., 225185

K. Special Taxes Matters — Credits, Cancellations and Refunds

- Refunds
 1. Tesoro Refining and Marketing Co, 188798 – “CF”
 2. Tesoro Refining and Marketing Co., 196077
 3. Old Republic Insurance Company, 215246 – “CF”

L. Property Tax Matters

- Petition for Reassessment of Unitary Value
 1. Pacific Gas & Electric Company, 224005 – “CF”
 2. OmniPoint Communications, Inc., 224753 – “CF”
- Petition for Penalty Abatement on Unitary Value
 3. OpenTel Communications, Inc., 221748 – “CF”
 4. Direct One, Inc., 221747 – “CF”
- Petition for Reassessment of Private Railroad Car Tax
 5. General Electric Rail Services, 235104 – “CF”
 6. Railcar Associates, Inc., 235105– “CF”
- Petition for Penalty Abatement on Unitary Escape Assessment
 7. RCN Telecom Services, Inc., 225291 – “CF”

❖ TAX PROGRAM NONAPPEARANCE MATTERS — NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE**M. Property Tax Matters**

- Unitary Escaped Assessments – “CF”
 1. Virgin Mobile USA, LLC (2767)
- Unitary Land Escaped Assessments – “CF”
 2. Radio Electronics Products Corporation (3374)
- Private Railroad Car Tax Refund Request – “CF”
 3. JAIX Leasing Company (6209)
- Board Roll Changes – “CF”
 4. 2003 Board Roll of State-Assessed Property

❖ CHIEF COUNSEL MATTERS**N. Rulemaking****Property Tax**

- [Request for Authorization to Publish Property Tax Rule](#)
 1. Property Tax Rule 136, Limited Liability Companies as Qualifying Organizations for the Welfare Exemption, request for authorization to publish and approval of Corresponding Suggested Legislation

Property Tax Matter

- Board Consideration of Welfare Exemption Claim
 2. Bonfante Gardens, Inc., 217502

❖ CLOSED SESSION

- Discussion and approval of staff recommendations regarding settlement cases (R&T Code § 6901, 7093.5, 30459.1 and 50156.11)
- Discussion and action on Personnel Matters (Govt. Code § 11126(a))

❖ ADMINISTRATIVE SESSION

- [Proposed First Quarter 2004 Board Workload Plan](#)
- Offers in Compromise Recommendations
 1. Shon F. Nasir
 2. Samuel J. Burris, Jr.
 3. Peter J. and Maria Karabinis
- **Consent Agenda**
 - ❑ [Approval of Board Employee Retirement Resolutions](#)
 - Sondra Merson
 - David J. Slechta
 - Marilyn C. Matisohn
 - Sydnie Van Cleave
 - Bruce Wormell
 - Betty Taylor
 - Olivia Lopez Patno
 - ❑ [Approval of Board Meeting Minutes](#)
 - May 6, 2003
 - May 28, 2003
 - July 9, 2003
 - July 25, 2003
 - August 6, 2003
 - August 28, 2003
 - ❑ [Adoption of 2004 Diesel Fuel Tax Rate for Interstate Users \(AB 1269\)](#)
 - ❑ [Adoption of 2004 Hazardous Waste Fees and Occupational Lead Poisoning Prevention Fee](#)
- **BOARD COMMITTEE REPORTS**
 - ❑ Approval of the September 24, 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. 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, to make special arrangements.