



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, Orange County
JEROME E. HORTON
Fourth District, Los Angeles
JOHN CHIANG
State Controller
CYNTHIA BRIDGES
Executive Director

STATE BOARD OF EQUALIZATION MEETING
505 Van Ness Avenue, Auditorium, San Francisco
NOTICE AND AGENDA
Meeting Agenda (as of 3/24/2014, 10:00 AM)

Agenda Changes

Webcast on Tuesday, March 25, 2014

Tuesday, March 25, 2014

10:00 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.

Board Committee Meeting*

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

2014 Legislative Bills

- Recommendations for Board Position:
AB 777 Property Tax: Exemption: Space Flight Property (Muratsuchi)
AB 1656 BOE Headquarters Building (Dickinson)
AB 2109 Property Tax: Parcel Taxes: Report (Daly)
AB 2429 Interest Equalization (Patterson)
SB 1113 Property Tax: Veterans Exemption: Refunds (Knight)
SB 1203 Property Tax: PILOT Restriction (Jackson)

Board Meeting**

Special Presentation

First District Accomplishments..... Ms. Yee

A. Homeowner and Renter Property Tax Assistance Appeals Hearings
There are no items for this matter.

B. Corporate Franchise and Personal Income Tax Appeal Hearing
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

~~B1. Kenneth Dean, 621012 +
For Appellant: Kellen Furlin, Representative
For Franchise Tax Board: Nancy Parker, Tax Counsel
Karen Smith, Tax Counsel~~

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

C1. Loucas Savvas Kakoullis, 571124 (CH) +
For Petitioner: Loucas Savvas Kakoullis, Taxpayer
For Department: Scott Lambert, Hearing Representative

~~C2. Enyinnaya Christian Ojogho, 396268, 414889, 610607 (AS) +
For Taxpayer/Petitioner: Enyinnaya Christian Ojogho, Taxpayer
Martin Cutler, Attorney
For Department: Scott Lambert, Hearing Representative~~

There are no items for the following matters:

- D. Special Taxes Appeals Hearings
- E. Property Tax Appeals Hearings

F. Public Hearings

F1. Proposed Adoption of Amendments to Sales and Use Tax Regulation 1603, *Taxable Sales of Food Products* + Mr. Huxsoll

The proposed amendments provide that mobile food vendors' sales of items subject to tax, on or after July 1, 2014, are presumed to be made on a tax-included basis.

F2. Proposed Adoption of Amendments to Sales and Use Tax Regulation 1699, *Permits* + Ms. Dendorfer

The proposed amendments incorporate and clarify Revenue and Taxation Code section 6070.5's provisions authorizing the Board to refuse to issue seller's permits under specified circumstances.

G. Tax Program Nonappearance Matters – Consent(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)**G1. Legal Appeals Matters Mr. Angeja**

- Hearing Notices Sent – No Response
 1. Tim Byrd, 602305 (UT)
 2. Jason Chow, 526540 (EH)
 3. Breadstick's LA Wine Bar Café, LLC, 546527 (AS)
 4. Duane Fitzgerald Corporation, 563219 (EA)
 5. Salvador Escareno and Irving Arnold Sofen and Alonzo Christopher Clark, 568565 (EH)
 6. Hillcrest Travel Plaza, LLC, 558082 (DF)
 7. Hot's Tacos Restaurants, LLC, 495796 (AC)
 8. Jesse's Auto Mart, Inc., 513014 (AC)
 9. Carl Marantz and Nelly Marantz, 595738 (EA)
 10. Abel Orozco and Athala Orozco, 380684 (AA)
 11. Choon S. Park and Cecilia Park, 600481 (EH)
 12. Platinum Auto Sports, Inc., 576207 (EH)
 13. Michael Ray Sears, 547013, 548285, 548287, 559962, 559963 (DF)
 14. Michael Ray Sears and Mike Dirker, 548283 (DF)
 15. Tabitha Denille Williams, 574283 (EH)
 16. Star Wireless, Inc., 564432 (AC)
 17. Willy Motors, LLC, 529890 (AP)
- Petitions for Release of Seized Property
 18. Jeto, Inc., 745238 (STF)
 19. Michael Josphine, Inc., 745229 (STF)
 20. Mohinder Singh Nahal, 745230 (STF)
 21. Shayan's Trading, Inc., 745232 (STF)
- Petition for Rehearing
 22. Bay Area High Reach, Inc., 374287 (CH)

G2. Franchise and Income Tax Matters Mr. Epolite

- Hearing Notices Sent – No Response
 1. Lauren J. Glass, 728284
 2. Sergei Goncharoff and Ingrid Goncharoff, 574870
- Hearing Notices Sent – Appearance Waived
 3. Steven T. Waltner and Sarah V. Waltner, 729266
 4. Pamela Willis, 620761
- Decisions
 5. Mario Benitez and Fausta Robles, 624515
 6. Allen G. Bennett, 717448
 7. Robert L. Botello and Anselma Botello, 607350
 8. Roberto Chavez and Estella O. Chavez, 694026
 9. David Crawley, 606545
 10. Goldfish (DE) LP, 675642
 11. Ronald Herrera, 626169
 12. Christopher Hogan, 639477

13. Carl W. Holm and Carolyn V. Holm, 701952
 14. Donald M. Jinks and Sandra Jinks, 614126
 15. Pamela Judice, 627120
 16. Maria Teresa Estandarte Mabugat, 563598
 17. Sherie L. Mclean, 601797
 18. Menmar Entertainment, Inc., 589300
 19. Merrill L. Mago Trust 14, 627298
 20. Matthew S. Mitchell, 570291
 21. Monsterops, LLC, 620341
 22. Pilar Nevarez and Fernando Peniche, 608110
 23. Walter M. O'Grodnick, 646220
 24. Barry Rossum and Darlene Rossum, 695903
 25. Edward Salgado and Susana Salgado, 693074
 26. William R. Taylor, 605380
 - 27a. Glen Steward and Jill Steward, 631064
 - 27b. Gregory Bischoff and Bonita Bischoff, 635970
 28. Doyle Whitcomb, 634737
 29. Victor Lee White and Dawn Teresa White-Gatewood, 612740
 30. Robert Zaragoza, 711969
 - Petition for Rehearing
 31. Richard J. Oleksa, Jr. and Michelle Oleksa, 600511
- G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.
- G4. Sales and Use Taxes Matters.....Mr. McGuire
- Redeterminations
 1. Viking Ready Mix Co. Inc., 557497 (DF)
 2. Advanced Cleanup Technologies, Inc., 521950 (UT)
 3. Advanced Cleanup Technologies, Inc., 521952 (UT)
 4. Frank C. Girardot, Jr., 586549 (GH)
 5. EDS Information Services, LLC, 505939 (OH)
 6. Vertis, Inc., 716415 (OH)
 7. TRE, Inc., 572002 (EH)
 - Denials of Claims for Refund
 8. Ericsson, Inc., 405617 (OH)
 9. MSC Group, Inc., 785276 (OH)
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and RefundsMr. McGuire
- Credits and Cancellations
 1. Suzanne Hoo, 547290 (BH)
 2. Alcan Global Phrmctl Pckgng, Inc., 694941(OH)
 3. Pacifica Petroleum, Inc., 788783 (AP)
 4. ECI Mobile, Inc., 786953 (BH)
 5. ECI Mobile, Inc., 786954 (BH)
 6. Initial R. Corp., 789933 (AP)
 - Refunds
 7. Wells Fargo Auto Finance, Inc., 614191 (CH)

8. Cisco Systems, Inc., 620545 (GH)
9. California Casualty Management, Co., 741188 (OH)
10. Diageo North America, Inc., 522406 (OH)
11. Hill's Pet Nutrition Sales, Inc., 660113 (OH)
12. Hughes Circuits, Inc., 557548 (FH)
13. Ericsson, Inc., 405617 (OH)
14. Google, Inc., 711136 (GH)
15. Liebherr Cranes, Inc., 738980 (OH)
16. Behr Paint Corporation, 745445 (OH)
17. Ocean Alexander of California, LLC, 774374 (EA)
18. Peritus Portfolio Services, LLC, 606054 (OH)

There are no items for the following matters:

- G6. Special Taxes 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 Mr. Angeja
 - Hearing Notice Sent – No Response
 1. [Labeau, LLC, 556888, 558475, 608117 \(AS\) +](#)
 - Cases Heard Not Decided
 - 2a. [Terry D. Eaves, 475767, 515719 \(AC\) +](#)
 - 2b. [Gordon W. Kelley, 475764, 515722 \(AC\) +](#)
 3. [Nirvair Corporation, 529714 \(EA\) +](#)
- H2. Franchise and Income Tax Matters Mr. Epolite
 - Petition for Rehearing
 1. [Barry L. Weiss and Dorraine Gilbert Weiss, 605043](#)

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.....Mr. Ambrose
- Section 40 (AB 2323) Matters
 1. Verizon California, Inc. (201), 742936 +
 2. La Paloma Generating Company, LLC (1112), 742923 +
 - 3a. GWF Energy, LLC – Hanford (1122), 743424 +
 - 3b. GWF Energy, LLC – Henrietta (1123), 743425 +
 - 3c. GWF Energy, LLC – Tracy (1124), 743427 +

I. Tax Program Nonappearance Matters

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

- I1. Property Taxes Matters
There are no items for this matter.
- I2. Offer in Compromise Recommendations.....Mr. Anderson
1. Aloha Community Collective Association
 2. Michael Beurer
 - 3a. Wireless Plaza, Inc.
 - 3b. Yen Bond Chyau
 - 3c. Katie Chyau
 4. Sergio Gabriel DePhilippis
 5. Timothy O. Finnerty
 - 6a. Harper Enterprises, Inc.
 - 6b. Harper Enterprises, Inc.
 - 6c. Gregory D. Harper
 7. Mobile 2 Mobile USA, Inc.
 8. Geoffrey Crispin Stout
 9. Vetco, Inc.
- I3. Local Tax Reallocation Matters
There are no items for this matter.

Chief Counsel Matters

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

There are no items for the following matters:

- J. Rulemaking
- K. Business Taxes
- L. Property Taxes

M. Other Chief Counsel Matter

- M1. Report on Property Tax Rule 21, *Taxable Possessory Interests-Valuation* +.....Mr. Moon

Report and recommendation for the Board to issue a Letter to Assessors regarding the stated term of possession used to value taxable possessory interests.

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 +

- Kathryn Hale
- Timothy Munz
- Rosemary Noriega
- John W. O'Brien
- Celia Gail Stormes
- Theresa Vina

N2. Approval of Board Meeting Minutes

- November 19-20, 2013 +
- December 17, 2013 +
- January 16, 2014 +

N3. Proposed Revisions to the Compliance Policy and Procedures Manual, Chapter 2, *Registration* +

N4. Proposed Revisions to the Compliance Policy and Procedures Manual, Chapter 7, *Collections* +

N5. Proposed Revisions to the Compliance Policy and Procedures Manual, Chapter 8, *Consumer Use Tax* +

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

- O1. Legislative Committee – March 25, 2014
- O2. Property Tax Committee – January 16, 2014

P. Other Administrative Matters

P1. Executive Director's Report Ms. Bridges

1. Report on Customer Service Functions
Discussion regarding the organization of the various Board functions related to customer service.
2. CROS Project Update and Actions Mr. Steen
Progress on the CROS project to replace BOE's two current tax legacy technology systems.

P2. Chief Counsel Report..... Mr. Ferris

1. Status reports on the Revenue Recovery and Collaborative Enforcement Act, and the Tax Recovery and Criminal Enforcement Team (Pilot Project) Mr. Silva

P3. Sales and Use Tax Deputy Director’s ReportMr. McGuire

1. [Audit Program Update +](#)

An update regarding the Sales and Use Tax Department’s Audit Program.

P4. Property and Special Taxes Deputy Director’s Report..... Mr. Gau

1. [2014 Timber Advisory Committee Membership +](#)

Approval of the 2014 Timber Advisory Committee (TAC) appointments, and request for Board to approve TAC members for four-year terms starting in 2015.

There are no items for the following matters:

P5. Administration Deputy Director’s Report

P6. Technology Deputy Director’s Report

P7. External Affairs Deputy Director’s Report

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

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

Adjourn

General information regarding Board and Committee Meetings can be found at www.boe.ca.gov/meetings/boardcomm.htm. If you would like specific information regarding items on this Notice and Agenda, please telephone (916) 322-2270 or email: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

If you wish to receive this Notice and Agenda electronically, you can subscribe at www.boe.ca.gov/agenda.

If you wish to listen to and/or view a live broadcast of the Board meeting, please go to www.boe.ca.gov and click on Webcast.

The hearing location is accessible to people with disabilities. Please contact Rose Smith at (916) 323-9656, or email Rose.Smith@boe.ca.gov if you require special assistance.

Joann Richmond, Chief
Board Proceedings Division

- * Public comment on any committee agenda item will be accepted at the beginning of the committee meeting. Subsequent to committee meetings, committee agenda items may be taken up separately during the Board 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.