



STATE BOARD OF EQUALIZATION
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JOHN CHIANG
State Controller
CYNTHIA BRIDGES
Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
NOTICE AND AGENDA
Meeting Agenda (as of 11/19/2014 10:30 AM)

[Agenda Changes](#)

[Webcast on Wednesday, November 19, 2014](#)

Wednesday, November 19, 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*

[Business Taxes Committee](#)..... Ms. Steel, Committee Chairwoman

1. ~~Proposed Amendments to Regulation 1574, *Vending Machine Operators*~~
~~Request approval and authorization to publish proposed amendments to update tax rates and provide for uniformity in rounding of the cold food factor.~~
2. Proposed Amendments to Regulations 1533.2, *Diesel Fuel Used in Farming Activities or Food Processing*, and 1598.1, *Diesel Fuel Prepayment Exemption*
Request approval and authorization to publish proposed amendments to revise the definition of diesel fuel in Regulations 1533.2 and 1598.1 to be consistent with the definition in the Diesel Fuel Tax Law.
3. Proposed Amendments to Regulation 1685.5, *Calculation of Estimated Use Tax – Use Tax Table*
Request approval and authorization to publish proposed amendments to update the definition of the average state, local, and district sales and use tax rate.
4. Proposed Amendments to Regulation 1591, *Medicines and Medical Devices*
Request approval and authorization to publish proposed amendments to include medical devices implanted to mark the location of a medical condition in the definition of medicines.

Board Meeting**

- A. Homeowner and Renter Property Tax Assistance Appeals Hearings
There are no items for this matter.
- B. Corporate Franchise and Personal Income Tax Appeals Hearings**
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)
- B1. Rudolph Buriani and Norma Jean Buriani, 668146 +**
For Appellants: Rudolph Buriani, Taxpayer
Norma Jean Buriani, Taxpayer
For Franchise Tax Board: Libby Rodoni, Tax Counsel
Mary Yee, Tax Counsel
- B2. Clovus M. Sykes, 790625 +**
For Appellant: Clovus M. Sykes, Taxpayer
For Franchise Tax Board: Brian Werking, Tax Counsel
Mary Yee, Tax Counsel
- C. Sales and Use Tax Appeals Hearings**
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)
- ~~C1. Capital City Restaurants, Inc., 522640 (KH) +
For Petitioner: Mike Alizadeh, Taxpayer
Chris Wall, Representative
Paul Warner, Attorney
For Department: Scott Lambert, Hearing Representative~~
- ~~C2. Rodolfo Dagoberto Carranza, 623951 (BH) +
For Petitioner: Rodolfo D. Carranza, Taxpayer
Linda Carranza, Witness
For Department: Scott Lambert, Hearing Representative~~
- C3. Pritpal S. Walia, 609568 (CH) +**
For Petitioner: Appearance Waived
For Department: Scott Lambert, Hearing Representative
- ~~C4a. Jagjit Singh Bhandal, 534239 (KH) +
For Petitioner: Gary Kimzey, Representative
For Department: Scott Lambert, Hearing Representative~~
- C4b. Jagjit Singh Bhandal, 535643 (KH) +**
For Petitioner: Appearance Waived
For Department: Scott Lambert, Hearing Representative

D. Special Taxes Appeals Hearing

(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

D1. E. M. Fransis Enterprises, Inc., 588145 (STF) +

For Petitioner: Emad Fransis, Taxpayer
 Homam Rady, Representative
 Sherif Matar, Representative

For Department: Pamela Mash, Tax Counsel

There are no items for the following matters:

- E. Property Tax Appeals Hearings
- F. Public Hearings

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

- Hearing Notice Sent – No Response
 1. Almekdad Nasser Ahmed Alharbi and Fatima E. Abdalla, 578943 (CH)
 - 2a. Vernon Hickman, 626555 (STF)
 - 2b. Vernon Hickman, 626556 (STF)
 3. Kiosko, Inc., 538748 (OH)
- Hearing Notice Sent – Appearance Waived
 4. Mariscos Linda, Inc., 528349 (AA)
- Petitions for Release of Seized Property
 5. Folsom Discount Food & Liquor, Inc., 798658 (STF)
 6. GPS Enterprise, Inc., 825127 (STF)
 7. Neszhao Consulting Company, LLC, 826590 (STF)
 8. Tareq Ziad Alrehani, 842769 (STF)
- Petitions for Rehearing
 9. GEO G2 Solutions, Inc., 563641 (UT)
 10. R & G Schatz Farms, Inc., 547724, 588579 (KH)
 11. Gurenderjeet Singh Sandhu, 515741 (KH)

G2. Franchise and Income Tax Matters Mr. Epolite

- Hearing Notice Sent – No Response
 1. Marie B. Batta, 766498
- Decisions
 2. Donald E. Bloom, 745188
 3. Justin Calvin, 728341
 4. Staci A. Campbell, 594124
 5. Shirley Carter, 636517
 6. The Chatsworth Company, 727158
 7. Joy A. Clark, 739059
 8. Robert D. Cook, Jr., 694990
 9. George P. Gallegos, 538621

10. Joseph R. Gerardo, 758167
 11. Juan M. Gonzalez, 740764
 12. Jay A. Greek, 773291
 13. Guy Hamilton, 758168
 14. Christopher Henningfeld and Christine Henningfeld, 735174
 15. Allen B. Jacobs, 732679
 16. Sherri Jones, 756292
 17. K & T Properties General Partnership, 733449
 18. Jessie Y. Lee, 721067
 19. Jose Mendez, 759227
 20. James D. Morgan, 762099
 21. Trang D. Nguyen, 764995
 22. Linda T. Noble, 790059
 23. Barry L. Nudelman, 766821
 - 24a. Noel Pena, 610952
 - 24b. Godofredo B. Abuyo, 611581
 - 24c. Francisco B. Tacliad, Jr., 611699
 - 24d. Ernie Alayon and Roselle Alayon, 612714
 - 24e. Joel Malit, 620788
 - 24f. Edward Conroy, 624143
 - 24g. Eduardo U. Garcia, 624575
 - 24h. Dennis W. Santana, 624643
 - 24i. Ulysses B. Jacob and Lourn P. Jacob, 668187
 25. Jonathan D. Schultz, 609652
 - ~~26. Mark S. Shepherd, 789649~~
 27. John L. Sommer, 702798
 28. Woping Tam and YimYung Chiu, 710829
 29. Marian Toma, 772611
 30. Michael Tran, 788386
 31. Christopher Treble and Estate of Nancy Treble (Dec'd), 736153
 32. Roger P. Vititow and Janice Vititow, 724814
 33. Wayne T. Wefel and Christeta A. Wefel, 606169, 610528
 34. Charles F. Weymann and Janet S. Weymann, 756300
 35. Joseph A. Zawacki, 741888
- 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. E Trade Financial Corp. Services, Inc., 724858 (OH)
 2. Sy Katz, 478354 (AP)
 3. Kevin Heaton Whalen, 733799 (CH)
 4. Horizon Distributors, Inc., 620767 (OH)
 5. Stryker Sales Corporation, 523716 (OH)
 6. J-2 Gourmet Kitchen, Inc., 556697 (AP)

- Relief of Penalty/Interest
 7. Restoration Hardware, Inc., 842477 (JH)
 8. Pier 1 Imports U.S. Inc., 842476 (OH)
 9. Sunpower Corporation, Systems, 842478 (CH)
 - Denials of Claims for Refund
 10. Taco Bell, 765475 (OH)
 11. Gateway One Lending & Finance, LLC, 606705 (EA)
 12. Gateway One Lending & Finance, LLC, 628385 (EA)
 - Grant One-Day Interest Relief
 13. United Irish Cultural Center, 842480 (BH)
 14. Taft Auto Group, Inc., 842479 (DF)
 15. Doppelmayr USA, Inc., 842482 (OH)
 16. Joann.com, LLC, 842481 (OH)
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and RefundsMr. McGuire
- Credits and Cancellations
 1. SSS Clothing, Inc., 842438 (AS)
 2. Ward P. Warren, 781387 (AP)
 - Refunds
 3. Trojan Petroleum, Inc., 742008 (AR)
 4. Kratos Analytical, Inc., 606746 (OH)
 5. School Specialty, Inc., 765815 (OH)
 6. BMW of North America, 839703 (OH)
 7. BMW of North America, 839701 (OH)
 8. Gordon S. Barienbrock, 716688 (EA)
 9. Albertsons, LLC, 826608 (UT)
 10. Morgan Stanley Capital Group, Inc., 731675 (OH)
 11. Midway Rent A Car, 447254 (AS)
 12. Celco Partnership, 743872 (OH)
 13. Taco Bell, 765475 (OH)
 14. Quest Diagnostics Incorporated, 608878 (OH)
 15. Quest Diagnostics Clinical Labs, 609315 (OH)
 16. Reliant Financial Corporation, 804391 (EA)
 17. Creative Design Consultants, LLC, 809305 (EA)
 18. T-System, Inc., 785922 (OH)
 19. DISH Purchasing Corporation, 717020 (OH)
 20. Ricoh Produc. Print Solutions, LLC, 578749 (OH)
 21. Symbility Solutions (USA), Inc., 636929 (OH)
 22. Calisolar, Inc., 627171 (GH)
 23. Mercedes-Benz FncI Servs USA, LLC, 575854 (OH)
 24. Laurent J. Katgely, 845399 (BH)

There are no items for the following matters:

- G6. Special Taxes Matters
- G7. Special Taxes Matters – Credits, Cancellations, and Refunds

- G8. Property Tax Matters Mr. Kinnee
- Petitions for Reassessment of Unitary Value
 1. Qwest Communications Company, LLC (2463), 836940 'CF'
 2. Indigo Generation, LLC (1141), 837311 'CF'
 3. Bicent (California) Malburg, LLC (1154), 837315 'CF'
 4. MetroPCS California, LLC (2733), 837528 'CF'
 5. Larkspur Energy, LLC (1142), 837542 'CF'
 6. CPV Sentinel, LLC (1160), 837573 'CF'
 7. NRG Marsh Landing, LLC (1157), 840267 'CF'
 - Petitions for Penalty Abatement on Unitary Value
 8. Valley Electric Association, Inc. (160), 837309 'CF'
 9. Trona Railway Co. (882), 836909 'CF'
 10. Foresthill Telephone Co. (235), 836920 'CF'
 11. Audeamus (7824), 836928 'CF'
 12. NOS Communications, Inc. (2416), 824111 'CF'
 13. Kerman Telephone Co. (246), 836914 'CF'
 - Petition for Reassessment and Penalty Abatement on Unitary Value
 14. Searles Valley Minerals Operations, Inc. (475), 836911 'CF'

There are no items for the following 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
- Cases Heard Not Decided
 1. ~~Elite Cert' Auto Service & Tires, Inc., 550595 (EA) +~~
 2. [Raymond Harry Simmons, 531521 \(AS\) +](#)
 - Petitions for Rehearing
 - 3a. [Mox, Inc., 569235 \(STF\) +](#)
 - 3b. [Mox, Inc., 570251 \(STF\) +](#)
- H2. Franchise and Income Tax Matters Mr. Thompson
- Petitions for Rehearing
 1. Richard N. Eisenberg and Anita Eisenberg, 610025

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
- Petitions for Reassessment of Unitary Value
 1. Verizon California, Inc. (201), 837518 'CF'
 2. La Paloma Generating Company, LLC (1112), 837006 'CF'
 3. Crown Castle NG West, Inc. (7982), 836972 'CF'
 4. Pacific Pipeline System, LLC (486), 836319 'CF'
 5. Plains West Coast Terminals, LLC (488), 836320 'CF'

I. Tax Program Nonappearance Matters

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

- I1. Property Taxes Matters.....Mr. Kinnee
- Roll Changes
 1. 2014 Board Roll of State-Assessed Property 'CF'
- I2. Offer in Compromise Recommendations.....Mr. Anderson
- 1a. Lutfi Hussein Abed
 - 1b. Monterey Information Tech.
 2. Crom, Inc.
 3. Luis Gonzalo Diez-Canseco
 4. Tram Anh Thi Duong
 5. K & K Capital Investments, Inc.
 6. Mohammad Khalid
 7. George Khoury
 8. Coco Rikka Kurelordpai
 9. Robert Emmett Lynch
 10. Robby Matar
 11. Bruce Patrick McNall
 - 12a. Edwin E. Toy
 - 12b. Urban Gardens Unlimited, LLC
 13. Ross Aldon Vexler
 14. Christopher Lawrence White
- 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.

J. Rulemaking

- J1. [Regulation 6001, General Provisions +](#)Ms. Willy
- Request for authorization to publish proposed amendments to update the Board's conflict of interest code.

Section 100 Changes

- J2. [Property Tax Rule 140.1, Requirements for Managing General Partner of Limited Partnership for Welfare Exemption for Low-Income Housing Properties +..... Ms. Jacobs](#)

Staff request for authorization to complete Section 100 changes to make the rule consistent with amendments to the Corporations Code.

There are no items for the following matters:

- K. Business Taxes
L. Property Taxes

M. Other Chief Counsel Matters

- M1. [Request for Authorization to file Amicus Curiae Brief + Mr. Lambert/ Mr. Moon](#)

Gunter Seibold v. County of Los Angeles Assessment Appeals Board et al., Los Angeles Superior Court No. SC107640, Court of Appeal, 2nd Appellate District No. B253701

Request for authorization to file amicus curiae brief regarding the assessment of a property interest on tax exempt publicly owned real property.

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 +](#)

- Julia Castaneda
- Stephen Coyle
- Frederick N. Dueñas
- June Fukuhara
- Peter Murphy
- Romulo S. Nogra
- Lilian M. Sibal
- Edgar Valera
- Ronnie Yang

N2. [Approval of the 2015 Timberland Production Zone Values +](#)

For the 2015 lien date, request approval for certification by the Board to county assessors of the current values of lands zoned for timberland production.

N3. Approval of Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors* +

Request approval for publication of the 2015 revision of Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors*.

N4. Proposed Revision to Compliance Policy and Procedures Manual Chapter 5, *Returns*, Sections 510.032 – 520.000 +

N5. Proposed Revision to Compliance Policy and Procedures Manual Chapter 5, *Returns*, Sections 535.055 – 535.100 +

N6. Adoption of Property Tax Forms +

The forms were revised to accommodate the revisions to Revenue and Taxation Code sections 214(g)(1), 214(g)(3)(B) and 214(g)(3)(C) made by Senate Bill 1203, effective January 1, 2015.

- BOE-267-L, *Welfare Exemption Supplemental Affidavit, Housing – Lower-Income Households*
- BOE-267-L1, *Welfare Exemption Supplemental Affidavit, Low-Income Housing Property of Limited Partnership*

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

O1. Business Taxes Committee

P. Other Administrative Matters

P1. Executive Director's Report Ms. Bridges

1. CROS Project Update and Actions Mr. Steen
Progress on the CROS project to replace BOE's two current tax legacy technology systems.

There are no items for the following matters:

P2. Chief Counsel Report

P3. Sales and Use Tax Deputy Director's Report

P4. Property and Special Taxes Deputy Director's Report

1. **Effects of Proposition 10 on Cigarette and Tobacco Products Consumption +..... Ms. Bartolo**

Section 130105(c) of the Health and Safety Code, as added by Proposition 10, requires the Board to determine the effect of Proposition 10 on the consumption of cigarettes and tobacco products and directs that a transfer of funds to Proposition 99 and breast cancer programs be made to backfill for revenue losses to those programs resulting from consumption changes triggered by Proposition 10. The intent of the backfill is to keep the funding levels of certain Proposition 99 and breast cancer programs from declining any more than they would have decreased without the Proposition 10 tax increase.

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.

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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.

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