



STATE BOARD OF EQUALIZATION
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SEN. GEORGE RUNNER (RET.)
First District, Lancaster

FIONA MA, CPA
Second District, San Francisco

JEROME E. HORTON
Third District, Los Angeles County

DIANE L. HARKEY
Fourth District, Orange County

BETTY T. YEE
State Controller

CYNTHIA BRIDGES
Executive Director

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

PRELIMINARY RECORD OF BOARD ACTIONS

Wednesday, January 21, 2015

The following is a preliminary record of Board actions taken at the January 21, 2015, Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone Claudia Madrigal at 916-322-1931 or e-mail: Claudia.Madrigal@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

Board Committee Meetings—Please see Page 9, O., Adoption of Board Committee Reports and Approval of Committee Actions, for voting results.

Board Meeting

Organization of the Board

- The Board will vote to elect a Chair and Vice Chair.

Table with 3 columns: DECISION, MEMBER, BOARD VOTE. Row 1: Elected Mr. Horton as Chair. Row 2: Elected Mr. Runner as Vice Chair.

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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

B1. Matthew Zises, 795292

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Mr. Horton	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	Yes

~~B2. Jess Sullivan, 756078~~

C. Sales and Use Tax Appeals Hearings

C1. Elias Abdallah Haggar, 597730 (BH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Mr. Horton	No
	Mr. Runner	Yes
The Board deleted the negligence penalty and otherwise approved staff's revised recommendation.	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	No

C2. Terravant Wine Company, LLC, 717959 (AR)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition granted.	Mr. Horton	No
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	No

~~C3a. Hanzell Vineyards, Ltd., 576196 (JH)~~

~~C3b. GMIC Vineyards, LLC, 610170 (JH)~~

There are no items for the following matters:

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

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F. Public HearingF1. Regulation 6001, *General Provisions*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	Yes

G. Tax Program Nonappearance Matters – Consent

G1. Legal Appeals Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	Yes

- Hearing Notice Sent – No Response
 - 1a. Adnan Y. Daher and Marlaine B. Daher, 611324 (BH)
 - 1b. Adnan Y. Daher and Marlaine B. Daher, 611326 (BH)
 - 1c. Adnan Y. Daher and Marlaine B. Daher, 611328 (BH)
 2. Ideal Hardware Supply, LLC, 592651 (CH)
 3. Nawal Kharsa, 649606 (BH)
 4. Gwendolyn Carol Sanders-Mohamed and Nagi Ali Mohamed, 646268 (CH)
 5. Oak Tree Alternative Care, A California Non-Profit Mutual Benefit Corporation, 597897 (EH)
 6. Robin R. Reichert, 488855 (BH)
 7. Specialty Merchandise Corp., 605598, 609297 (AR)
- Petition for Release of Seized Property
 8. Layla Solutions, LLC, 842569 (STF)

G2. Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
No final determination on sub-items 6, 13 and 15.	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	Yes

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- Decisions
 1. Raymond Anderson, 742276
 2. Nelia R. Casanas, 574417
 3. Commercial Financial Services, Inc., 612438
 4. Pamela Davis, 709579
 5. Stephen Dove, 775223
 - ~~6. Fox Meadows Software, LTD., 739078~~
 7. Mary Anne Gilles, 732200
 8. Nakhle Haddad, 772625
 9. Joseph P. Handleman (Dec'd.) and Courtney Callahan, 609157
 10. Arthur J. Hovind, 671061
 11. Michael Hulbert and Marlene Hulbert, 735175
 12. J D Rockefeller, Jr. Trust, 768224
 - ~~13. Camille Mahan, 785311~~
 14. Allen W. Martin and Rebecca Martin, 740792
 - ~~15. Charlotte B. Montgomery, 807763~~
 16. Michelle-Anne Oura, 779209
 17. Aluizio Prata and Maria T.B. Prata, 808753
 18. Quad State Mobile Trackmasters, 717594
 19. Michael Scott, 770891
 20. Ryan Swedlund, 790629
 21. Julian Taylor, 740756
 22. Ruby Tena, 796199
 23. Bernard Tse and Grace Tse, 792429
 24. Daryl Yodis and Matthew D. Yodis, 756087
- Petitions for Rehearing
 25. Kenneth Cook and Margery Cook, 727426
 26. Jeffrey A. Foresta, 762692, 763560, 763561
 27. Roosevelt Madison and Paula Madison, 593006

G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.

G4. Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
No final determination on sub-items 6 and 9.	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	Yes

- Redeterminations
 1. Siemens Healthcare Diagnostics, Inc., 779152 (OH)
 2. Varian Medical Systems, Inc., 534962 (GH)
 3. Siemens Financial Services, Inc., 740898 (OH)
 4. Malibu Subway, Inc., 807292 (AS)
 5. Metropark USA, Inc., 586509 (AP)

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- 6. ~~Sunspas & Health, Inc., 591936 (KH)~~
- 7. B.J. International, Inc., 523734 (AP)
- 8. B.J. International, Inc., 515472 (AP)
- 9. ~~Sunspas & Health, Inc., 592655 (KH)~~
- 10. National Instrument, LLC, 788622 (OH)
- 11. Trimedx, LLC, 823061 (OH)
- Relief of Penalty/Interest
 - 12. Ralphs Grocery Company, 849946 (OH)
 - 13. Mrs. Gooch's Natural Food Markets, Inc., 849884 (OH)
 - 14. Food 4 Less of California, Inc., 849886 (OH)
 - 15. Windset Farms (California), Inc., 849883 (AR)
- Denials of Claims for Refund
 - 16. LCI Holdings, Inc., 846934 (OH)
 - 17. Siemens Energy, Inc., 623744 (OH)
 - 18. XO Communications Services, Inc., 742766 (OH)
 - 19. New Cingular Wireless PCS, LLC, 757004 (OH)
- Grant-One Day Interest Relief
 - 20. Coach, Inc., 849887 (OH)

G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	Yes

- Credits and Cancellations
 - 1. Mueller Systems, LLC, 850060 (OH)
 - 2. L.A. Hair Straightener, Inc., 842634 (AC)
- Refunds
 - 3. Camacho Auto Sales, Inc., 768615 (SO)
 - 4. Toro Petroleum Corporation, 794495 (GH)
 - 5. Wells Fargo Bank, National Association, 849024 (OH)
 - 6. Advent Software, Inc., 742772 (BH)
 - 7. Selway Machine Tool Co., Inc., 839870 (CH)
 - 8. Western Oilfields Supply Co., 736280 (DF)
 - 9. Emulex Corporation, 846939 (EA)
 - 10. Professional Hospital Supply, Inc., 808054 (EH)
 - 11. State of California, 788456 (KH)
 - 12. Cerner Corporation, 788451 (OH)
 - 13. LCI Holdings, Inc., 846934 (OH)
 - 14. Westinghouse Air Brake Technologies Corporation, 792085 (OH)
 - 15. BMW of North America, 848873 (OH)
 - 16. Skyview Construction Co., 843100 (OH)
 - 17. Mobile Mini, LLC, 742368 (OH)
 - 18. Siemens Energy, Inc., 707160 (OH)

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- 19. Specialty Laboratories, 665533 (OH)
- 20. Lightriver Technologies, Inc., 843103 (CH)
- 21. Broadcom Corporation, 847283 (EA)
- 22. Wescom Credit Union, 812797 (AP)
- 23. XO Communications Services, Inc., 742766 (OH)
- 24. Cal Fuel Purchasing Group, LLC, 730455, (AS)
- 25. Eastgate Petroleum, LLC, 845408 (KH)
- 26. GF Wines, LLC, 846144 (JH)
- 27. TGB Products, LLC, 847671 (GH)
- 28. Alaska USA Federal Credit Union, 683019 (OH)

G6. Special Taxes Matters
There are no items for this matter.

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	Yes – except not participating in sub-item 1

- Refunds
 - 1. Anheuser-Busch, Inc., 791951 (STF) ‘CF’
 - 2. Chemoil Corporation, 811973 (STF)

There are no items for the following matters.

- G8. Property Tax Matters
- G9. Cigarette License Fee Matters
- G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory

There are no items for the following matters:

- H1. Legal Appeals Matters
- H2. Franchise and Income Tax 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

➤ Petition-Reassessment of Private Car Tax

1. National Railway Equipment Company (6530), 840986 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition granted.	Mr. Horton	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	Not participating

2. SMBC Rail Services, LLC (6531), 847557 'CF'

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition granted.	Mr. Horton	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	Not participating

There are no items for the following matters:

H9. Cigarette License Fee Matters

H10. Legal Appeals Property Tax Matters

I. Tax Program Nonappearance Matters

I1. Property Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	Not participating

➤ Audit

1. Dynegy Moss Landing (1103) 'CF'
2. La Paloma Generating Company, LLC (1112) 'CF'
3. Spok, Inc. (3430) 'CF'
4. Tremcom International, Inc. (7538) 'CF'
5. Purple Communications, Inc. (7999) 'CF'
6. Vodex Communications Corporation (8160) 'CF'

➤ Unitary Land Escaped Assessment

7. Verizon California, Inc. (201) 'CF'
8. U.S. TelePacific Corp. (7757) 'CF'

12. Offer in Compromise Recommendations

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	Yes

- 1a. Nam Van Dang
- 1b. Asiaican, Inc.
- 2. Cecilia Gomez
- 3. Marco Antonio Salinas
- 4. SIPS Café, Inc.

13. Local Tax Reallocation Matters
There are no items for this matter.

Chief Counsel Matters

J. Rulemaking

Section 100 Changes

- J1. Property Tax Rule 472, *Valuation of Real Property Interests in Timeshare Estates and Timeshare Uses*; Rule 902, *Unitary Property Value Indicators and Staff Discussions*; and, Rule 904, *Unitary and Nonunitary Property Value Determinations and Petitions for Reassessment*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	Yes

There are no items for the following matters:

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

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Administrative Session**N. Consent Agenda**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton Mr. Runner Ms. Ma Ms. Harkey Ms. Yee/ Ms. Stowers	Absent Yes Yes except abstain on item N2 Yes except abstain on item N2 Yes

N1. Retirement Resolutions

- David Bacon
- Richard Bengston
- Carl Bessent
- Alice Cantu
- Quirino "Willie" Jacques
- Rhonda Krause
- Rudy Mendez

N2. Approval of Board Meeting Minutes

- December 18, 2014

N3. Adoption of Property Tax Form

- BOE-305-AH, *Application for Changed Assessment*

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

O1. Legislative Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein. For details see: www.boe.ca.gov/legdiv/legmeeting_s15.htm	Mr. Horton Mr. Runner Ms. Ma Ms. Harkey Ms. Yee/ Ms. Stowers	Yes Yes Yes Yes Yes

O2. Property Tax Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein. For details see: www.boe.ca.gov/proptaxes/ptcwplan15.htm	Mr. Horton Mr. Runner Ms. Ma Ms. Harkey Ms. Yee/ Ms. Stowers	Yes Yes Yes Yes Yes

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P. Other Administrative Matters

P1. Executive Director's Report

1. Approval of Board Meeting Date Change

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board changed the August 18-20, 2015 Culver City Board Meeting Date to August 25-27, 2015.	Mr. Horton	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Harkey	Yes
	Ms. Yee/ Ms. Stowers	Yes

2. CROS Project Update and Actions

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

P5. Administration Deputy Director's Report

P6. Technology Deputy Director's Report

P7. External Affairs Deputy Director's Report

Q. Closed Session

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