



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA
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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
5901 Green Valley Circle, Room 207, Culver City
June 23-25, 2015

PRELIMINARY RECORD OF BOARD ACTION

Tuesday, June 23, 2015

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The following is a preliminary record of Board actions taken at the June 23-25, 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.

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

Board Meeting

Special Presentations

Employee Recognition Award Ceremony 2014-2015

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

B1a. ~~Karchmer, Inc., 815455~~

B1b. ~~Caplan LLC, 815457~~

B2. Noreen B. Schneider Rucinski and Fred Rucinski, 789657

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

B3. Robert Carpio and Virginia Carpio, 793495

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

B4. Michael I. Cohen, 795873

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

B5. Gary Mellinger and Christa Mellinger, 811123

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

B6. ~~Maurice Rosaler and Charlotte Rosaler, 788388~~B7. ~~Gregory Wimmer, 842007~~**C. Sales and Use Tax Appeals Hearings**

These items are scheduled for Wednesday and Thursday, June 24 and 25, 2015.

D. Special Taxes Appeals Hearings

These items are scheduled for Thursday, June 25, 2015.

E. Property Tax Appeals Hearings

There are no items for this matter.

F. Public HearingsF1. [Business Taxpayers' Bill of Rights Hearings](#)F2. [Property Taxpayers' Bill of Rights Hearings](#)

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F3. Timber Harvest Values and Modified Harvest Values

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendation.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	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 recommendations. No final determination on sub-items 1, 3, 4, 5, 8 and 16.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

- Hearing Notice Sent – No Response
 1. ~~AA Rancho, Inc., 569479 (FH)~~
 2. Action Air Express, Inc., 352204 (UT)
 3. ~~April Enterprises, Inc., 624773, 860001 (EA)~~
 4. ~~Bharwani Corp., 740667 (DF)~~
 5. ~~California Restaurant Authority, Inc., 485060 (AS)~~
 6. Roger N. Davis, 521660 (UT)
 7. Nver Grigoryan, 624246 (AC)
 8. ~~Haja, LLC, 674641 (AS)~~
 9. Michael Paul Hodges, 586100, 795415 (AC)
 10. Los Campeones Mexican Food, Inc., 733828 (EH)
 11. NativeBuy, Inc., 526782 (EH)
 12. Progressive Lighting & Energy Solutions, 602544 (EA)
 13. Soheila Zahrabi Siadate, 732887 (EA)
 14. Marquis T. Smith, 567620 (FH)
 15. Soccer Stores, Inc., 690837 (AC)
 16. ~~Skyline Exhibits West, Inc., 609694 (AR)~~
 17. True Floors, Inc., 574143 (AC)
 - 18a. Brandon C. Young, 557830 (FH)
 - 18b. Kimberly Young, 557831 (FH)
- Hearing Notice Sent – Appearance Waived
 19. Megha Foods, Inc., 599623 (EH)
 20. Heena Foods, Inc., 599617 (EH)
- Petition for Release of Seized Property
 21. Rasmi Naser Zeidan, 865498 (STF)

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G2. Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
No final determination on sub-item 2.	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

- Decisions
 1. Benjamin Alsasua and Anna Alsasua, 736835
 2. ~~C&L Pacific Real Estate, Inc., 815463~~
 3. Edward G. Carvalho, 793937
 4. Marvin R. Christensen and Rosemarie F. Christensen, 567680
 5. Kenneth D. Clark, 746791
 6. Brian Garcia, 807755
 7. Juan C. Salvador Guevara, 792058
 8. Dee Ann Hood, 812846
 9. Tamara Kathleen Leivas (Rogers), 793967
 10. Doran G. Machin and Susan M. Machin, 796210
 11. Lina Nihiser, 764246
 12. Peak Aero Group, Inc., 837855
 13. John J. Petersen, 759741
 14. Anoop K. Shah, 740009
 15. Daniel J. Treptow, 797514
 16. Edwin Yee and Sandra L. Yee, 735445
- Petitions for Rehearing
 17. Stephen Dove, 775223
 18. Mary Anne Gilles, 732200
 19. Rene Surban, 623948

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 recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

- Redeterminations
 1. Home Depot U.S.A., Inc., 840953 (OH)
 2. Jeremiah John Cullinane, 739443 (BH)
 3. Packageone, Inc., 721977 (KH)
- Relief of Penalty/Interest
 4. AT&T Datacomm, Inc., 866432 (OH)
- Denials of Claims for Refund
 5. William G. Morschauser, 854446 (AP)
 6. Matheson Tri-Gas, Inc., 715941 (OH)

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

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

- Credits and Cancellations
 1. Keith Mark Christian, 561671 (FH)
 2. Eco Building Systems, Inc., 861600 (FH)
- Refunds
 3. Chevron U.S.A., Inc., 860281 (CH)
 4. GE Medical Sys. Info. Tech., Inc., 592491 (OH)
 5. Schmid Systems, Inc., USA, 860054 (GH)
 6. Bakercorp, 742380 (EA)
 7. Matheson Tri-Gas, Inc., 715941 (OH)
 8. Quest Diagnostics Clinical Labs, 813163 (OH)
 9. A-L Financial Corp., 860464 (EA)
 10. Waldorf Astoria Management, LLC, 721758 (EH)

G6. Special Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes – except not participating in sub-item 2.

- Redeterminations
 1. RK Company, Inc., 525133 (STF)
 2. Haycock Petroleum Company, 575827 (STF) 'CF'

There are no items for the following matters.

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

G8. Property Tax Matters

G9. Cigarette License Fee Matters

G10. Legal Appeals Property Tax Matters

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H. Tax Program Nonappearance Matters – Adjudicatory**H1. Legal Appeals Matters**

➤ Petitions for Rehearing

1. Andrew Steven Roganson, 538417, 737457 (AC)

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

H2. Franchise and Income Tax Matters

➤ Section 40 (AB 2323) Matters

1a. Rago Development Corporation, 735761

1b. Fredrick M. Wooster and Mary L. Wooster, 727483

1c. Paul H. Verriere and Patricia R. Verriere, 727493

1d. Michael J. Smith and Lynn M. Smith, 725834

1e. Louis Rago and June E. Rago, 725839

1f. Martin Bramante and Estate of Velia Bramante, 632713

1g. Frank Sabella, 633944

1h. Louis La Torre Living Family Trust, Louis La Torre Trustee, 633028

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board adopted the written decision as revised.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board ordered that the decision be a precedential Formal Opinion.	Mr. Horton	No
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	No

2. Peter St. Geme and Polly Plumer St. Geme, 693089

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board adopted the written summary decision as presented by staff.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	No

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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

➤ Refunds

1. Northrop Grumman Space & Mission Systems Corp., 594630 (AS)

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

There are no items for the following matters.

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

I. Tax Program Nonappearance Matters

I1. Property Taxes Matters

There are no items for this matter.

I2. Offer in Compromise Recommendations

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

- 1a. Guillermina Ahumada
- 1b. Latino-Meat Market, Inc.
- 2. Jeanne Sue Barton
- 3. Muhammad Saeed Bhumbra
- 4. Richard Pierce Campbell
- 5a. Jian Zhong Deng
- 5b. GND Enterprises, Inc.
- 6. Jeffrey David Gallagher
- 7a. William Greenberg
- 7b. The New Green’s Furniture, Inc.

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- 8a. Jacob Auto Sales, Inc.
- 8b. Ramin J. Beth-Jacob
- 9a. Cherylynn Ann Johnson
- 9b. Jeffrey Alan Johnson
- 9c. Urban Board Shop, Inc.
- 10. James Allen Miller
- 11a. Laurent Aimable Quenioux
- 11b. LQ Foods, Inc.
- 12a. Ronald James Routhier
- 12b. Cynthia Ann Routhier
- 12c. Trendz, Inc.
- 13a. Jeffrey I. Schwimmer
- 13b. Evelyn Schwimmer
- 14. George Abraham Vazhappally

- I3. Local Tax Reallocation Matters
There are no items for this matter.

Chief Counsel Matters

There are no items for the following matters:

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

Administrative Session

N. Consent Agenda

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Mr. Horton	Yes
No final determination on sub-item N3.	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

- N1. Retirement Resolution
 - Maria Delgado
- N2. Approval of Board Meeting Minutes
 - May 27-28, 2015
- N3. ~~Proposed Revisions to Audit Manual (AM), Chapter 4, *General Audit Procedures*~~

O. Adoption of Board Committee Reports and Approval of Committee ActionsO1. ~~Legislative Committee~~

O2. Customer Service and Administrative Efficiency Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein as reflected by the committee members' votes.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
For details see: www.boe.ca.gov/meetings/custsrv/custsrv15.htm	Ms. Yee/ Ms. Stowers	Yes

P. Other Administrative Matters

P1. Executive Director's Report

1. Report on time extensions to Amador, Colusa, Humboldt, Inyo, Lassen, Los Angeles, Mendocino, Modoc, Nevada, Placer, and Santa Cruz counties to complete and submit 2015/16 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155.

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

1. Report on discussions with SEIU regarding in-house security services.

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted a resolution as presented by staff.	Mr. Horton	Yes
	Ms. Harkey	Yes
	Mr. Runner	Yes
	Ms. Ma	Yes
	Ms. Yee/ Ms. Stowers	Yes

There are no items for the following matters:

P6. Technology Deputy Director's Report

P7. External Affairs Deputy Director's Report

Q. Closed Session

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STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
June 23-25, 2015

PRELIMINARY RECORD OF BOARD ACTION

Wednesday, June 24, 2015

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C. Sales and Use Tax Appeals Hearings

C1. PCS Wireless, Inc., 572015 (EA)

Table with 3 columns: DECISION, MEMBER, BOARD VOTE. Row 1: No final Board determination. Mr. Horton, Yes. Row 2: The Board ordered that the hearing be continued to a later date... Ms. Harkey, Yes. Row 3: ... Mr. Runner, Yes. Row 4: ... Ms. Ma, Yes. Row 5: ... Ms. Yee/ Ms. Stowers, Yes.

~~C2. Eric Christopher Dutra, 607843, 746362 (FH)~~

~~C3. G3 Mastering Solutions, Inc., 549262 (AA)~~

C4. G & C Equipment Corporation, 373826 (AS)

Table with 3 columns: DECISION, MEMBER, BOARD VOTE. Row 1: Taxpayer's petition granted. Mr. Horton, Yes. Row 2: Ms. Harkey, Yes. Row 3: Mr. Runner, Yes. Row 4: Ms. Ma, Yes. Row 5: Ms. Yee/ Ms. Stowers, Yes.

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STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
June 23-25, 2015

PRELIMINARY RECORD OF BOARD ACTION

Thursday, June 25, 2015

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C. Sales and Use Tax Appeals Hearings

C5. Terberg Tucker, Inc., 738568 (AA)

C6. John Paul Richard, Inc., 613971 (AC)

Table with 3 columns: DECISION, MEMBER, BOARD VOTE. Row 1: Taxpayer's petition and claim partially granted/denied. Mr. Horton: No, Ms. Harkey: Yes, Mr. Runner: Yes, Ms. Ma: Yes, Ms. Yee/ Ms. Stowers: No.

C7. Maria Guadalupe Ramos, 611491 (AP)

D. Special Taxes Appeals Hearings

D1. Truck Insurance Exchange, 240627 (STF) 'CF'

Table with 3 columns: DECISION, MEMBER, BOARD VOTE. Row 1: Taxpayer's claim partially granted/denied. Mr. Horton: No, Ms. Harkey: Yes, Mr. Runner: Yes, Ms. Ma: Yes, Ms. Yee/ Ms. Stowers: Absent and not participating.

D2. H. M. Holloway, Inc., 552594 (STF)

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