



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

DAVID J. GAU
Executive Director

STATE BOARD OF EQUALIZATION MEETING
1 Civic Center Plaza, Irvine

PRELIMINARY RECORD OF BOARD ACTION

Thursday, July 14, 2016

The following is a preliminary record of Board actions taken at the July 14, 2016, 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 Lopez at 916-322-1931 or e-mail: Claudia.Lopez@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

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. Alan R. Brayton, 852168

B2. Cesar Z. Lugo, 790947

C. Sales and Use Tax Appeals Hearings

C1. Irma Osuna, 847485 (AA)

Table with 3 columns: DECISION, MEMBER, BOARD VOTE. Row 1: Taxpayer's petition denied. Ms. Ma, Yes. Row 2: The Board directed staff to inform the taxpayer of the Offer in Compromise program. Ms. Harkey, Yes. Row 3: Mr. Horton, Yes. Row 4: Mr. Runner, Absent. Row 5: Ms. Yee/ Ms. Stowers, Yes.

C2a. R.M. Custom Wood Finishing, Inc., 586214 (EA)

C2b. Ramon Murguia, 586215 (EA)

C3. Paedick Gharapanianse, 568598 (AC)

There are no items for the following matters:

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

F. Public Hearing

- F1. Proposed Amendments to Property Tax Rule 462.040, *Change in Ownership – Joint Tenancies*

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

- Hearing Notice Sent – No Response
 1. California Realty Partners, Inc., 756863 (AR)
 2. JAB Marine Services, LLC, 620844 (UT)
 - 3a. Henri Raymond Traboulsi, 522515 (EA)
 - 3b. A Touch of Art, Inc., 521964 (EA)
 - 4a. Earl Fee, 807238 (STF)
 - 4b. Earl Fee, 807239 (STF)
 5. Gareebee Enterprises, Inc., 627328 (STF)
- Petitions for Rehearing
 6. Brian Scott Gerstein, 606328 (EA)
 7. Sahak Jeiranian, 841617 (STF)

G2. Franchise and Income Tax Matters

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

➤ Decision

1. Cheryl G. Campos, 819050
2. Dalaj International Corp., 862138
3. Christina Ferreira, 764252
4. Amanda Gari (Abel) and Albert Abel, Jr., 795390
5. Brenda Guachena, 825476
6. HJL20, Inc., 860003
7. Mike Kobeissi and Sandy Kobeissi, 877163
8. Charles Leonardi, 870737
9. MTU Aero Engines North America, Inc., 865516
10. Vantania C. Pelzer, 600478
11. Photo Booth Fever, Inc., 880781
- 12a. Shank's Extracts, Inc., 857013
- 12b. Jeffrey F. Lehman, 857098
13. SKZ Vending, 879546

➤ Petitions for Rehearing

14. Richard Liqun He and Sheri Xiaochun Liu, 663709, 744889
15. Edward Lavi, 861784

There are no items for the following matters:

- G3. Homeowner and Renter Property Tax Assistance Matters
- G4. Sales and Use Taxes Matters
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds
- 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**H1. Legal Appeals Matters**

➤ Hearing Notice Sent – Appearance Waived

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition partially granted/denied.	Ms. Ma	Yes
	Ms. Harkey	Yes
The Board abated interest for period 7/11/06 to 5/27/11.	Mr. Horton	Yes
	Mr. Runner	Absent
	Ms. Yee/ Ms. Stowers	No

H2. Franchise and Income Tax Matters

➤ Decisions

1. Michael C. Fletcher and Janis I. Fletcher, 603936

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

➤ Section 40 (AB 2323) Matters

2a. Brian N. Khoury, 867810

2b. Jason B. Khoury and Lisa B. Khoury, 867855

2c. Noelle K. Ludwig and Timothy S. Ludwig, 867874

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

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

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

- 1a. Loyce Douglas Crisp
- 1b. Quick 'n Split Fast Food Enterprises, Inc.
- 2. Hi Sam Kim
- 3a. Yeong Joo Kim
- 3b. Madam Vi, Inc.
- 3c. Vijon, Inc.
- 4. Rang Ngoc Le
- 5. Marcia Verence Ochoa
- 6. Reed Family Corporation
- 7a. Manuel Sanchez
- 7b. Plantillas Carpet Service, Inc.
- 7c. Sanchez Flooring Service, Inc.

- 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.	Ms. Ma	Yes
	Ms. Harkey	Yes
	Mr. Horton	Yes
	Mr. Runner	Absent
	Ms. Yee/ Ms. Stowers	Yes

N1. Retirement Resolutions

- Diane K. DeWitt
- Chris H. Drews
- Randy Ferris
- Kenneth C. Leung
- Judy W. Lui
- Mark A. Noack
- Ted Odiorne

N2. Approval of Board Meeting Minutes

- June 14, 2016

N3. Report on Time Extensions to El Dorado, Humboldt, Inyo, Lake, Napa, Nevada, and San Benito Counties to complete and submit fiscal year 2016-17 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155

N4. Proposed revisions to Audit Manual Chapters 1, *General Information*, and 4, *General Audit Procedures*; and Compliance Policy and Procedures Manual Chapters 1, *General* and 7, *Collections*N5. Proposed revisions to Compliance Policy and Procedures Manual Chapters 1, *General*, 2, *Registration*, 4, *Security*, and 7, *Collections*

N6. Annual Meeting of the State Board of Equalization and County Assessors

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

There are no items for this matter.

P. Other Administrative Matters

There are no items for the following matters:

- P1. Executive Director's Report
- P2. Chief Counsel Report
- P3. Business Tax and Fee Deputy Director's Report
- P4. Field Operations Department Report

P5. Property Tax Deputy Director's Report

1. Fiscal Year 2016-17 Private Railroad Car Tax Rate 'CF'
2. Adoption of the 2016 Private Railroad Car Roll 'CF'

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

3. Adoption of the 2016 State-Assessed Property Roll 'CF'

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

P6. Administration Deputy Director's Report

1. Budget Update
2. ~~Update on Bargaining Process~~

P7. Technology Deputy Director's Report

1. CROS Project Update and Actions

P8. External Affairs Deputy Director's Report
There are no items for this matter.**Q. Closed Session****C. Sales and Use Tax Appeals Hearings**

- ~~C4. Runt's Trucking, Inc., 683822 (FH)~~
~~C5. ACI Silverise Products, 569300 (EA)~~
~~C6. 2S Pizza, Inc., 740225 (EA)~~
~~C7. Jessica Chase, 760013 (AS)~~