



STATE BOARD OF EQUALIZATION  
450 N STREET, SACRAMENTO, CALIFORNIA  
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JOHN CHIANG  
Fourth District, Los Angeles  
Chair

JOHAN KLEHS  
First District, Hayward  
Vice Chair

DEAN ANDAL  
Second District, Stockton

CLAUDE PARRISH  
Third District, Torrance

KATHLEEN CONNELL  
State Controller, Sacramento

JAMES E. SPEED  
Executive Director

**STATE BOARD OF EQUALIZATION MEETING  
450 N STREET, ROOM 121  
SACRAMENTO  
JUNE 19-20, 2002  
NOTICE AND AGENDA**

**WEDNESDAY, JUNE 19, 2002**

**BOARD COMMITTEE MEETINGS\* (convenes at 9:30 a.m.)**

❖ **Customer Services & Administrative Efficiency Committee – Room 121**

Mr. Parrish, Chair

Staff, Ms. Jerri Dale (916) 445-6188

- 2003-04 Minor Capital Outlay Budget Change Proposals
- Equal Employment Opportunity Office Update and Beam Policies

❖ **Business Taxes Committee—Room 121**

Mr. Chiang, Chair

Staff, Mr. Ramon Hirsig (916) 445-1441

- Proposed regulation to incorporate provisions of AB 426 regarding an exemption for the sales and use of racehorse breeding stock (Regulation 1535, Racehorse Breeding Stock)

**BOARD MEETING\*\* (convenes upon adjournment of the Business Taxes Committee)—  
Room 121**

❖ **BUSINESS TAXES APPEALS HEARINGS**

- ❑ Eid and Seven Sisters, Inc., 114220
- ❑ Ahmed Ben Hassan, 30423
- ❑ Ann Minshew, 63291
- ❑ LA Washington Golf Center, Inc., 89002144620
- ❑ Edward Jack Sandel, 89000335460, 89000335440

**BOARD MEETING\*\* (convenes at 1:30 p.m.)—Room 121**

❖ **PUBLIC HEARINGS**

- TIMBER HARVEST VALUES

On or before June 30, 2002, the Board will estimate the immediate harvest value and adopt schedules for each species or subclassification of timber harvested between July 1 and December 31, 2002 (Section 38204 (a), Revenue and Taxation Code).

➤ PROPOSED ADOPTION OF SALES AND USE TAX REGULATION 1534, TIMBER HARVESTING EQUIPMENT AND MACHINERY

Regulation 1534, Timber Harvesting Equipment and Machinery, is proposed to be promulgated to interpret, implement and make specific Revenue and Taxation Code section 6356.6, granting a partial exemption from tax for sales of certain off-road equipment and machinery provided by the statute under defined conditions. (AB 426, Stats. 2001, Ch. 156, § 5).

➤ PROPOSED ADOPTION OF SALES AND USE TAX REGULATION 1807, PROCESS FOR REVIEWING LOCAL TAX REALLOCATION INQUIRIES

Proposed Regulation 1807, Process for Reviewing Local Tax Reallocation Inquiries, is proposed to be promulgated to interpret, implement and make specific Revenue and Taxation Code sections 7209 and 7223. The regulation is proposed to provide a method by which a city may submit a reallocation inquiry and appeal an adverse decision to the Board.

❖ **BUSINESS TAXES APPEALS HEARINGS**

- ❑ Frederico and Isabelita Cabungcal, 92436
- ❑ Marine Science Institute, 92759
- ❑ The Quadri Group dba Dynatype Graphics, 89000287400

**THURSDAY, JUNE 20, 2002**

**BOARD MEETING\*\* (convenes at 9:30 a.m.)—Room 121**

❖ **OPEN SESSION**

❖ **ANNOUNCEMENT OF CLOSED SESSION**

❖ **CLOSED SESSION**

- Discussion and approval of staff recommendations regarding settlement cases (R & T Code § 7093.5, 7093.5(b)(3), 30459.1 and 50156.11)
- Discussion and action on Personnel Matters (Govt. Code § 11126 (a))

❖ **ADMINISTRATIVE SESSION**

➤ **Consent Agenda**

- ❑ Approval of Retirement Resolutions
  - James A. Bakker
  - Nancy L. McDonald
  - Jack Adophson
- ❑ Adoption of Board Meeting Minutes
  - May 7-9, 2002
- ❑ [Proposed substantive revisions to Compliance Policy and Procedures Manual Chapter 7, Collections](#)
- ❑ Approval of extensions of time to complete and submit 2002-03 Local Assessment Rolls pursuant to Revenue and Taxation Code Section 155 granted to Butte, Kings, Los Angeles and Orange Counties

➤ **Board Committee Reports**

- Approval of the June 19, 2002 Board Committee Minutes
  - Customer Services and Administrative Efficiency Committee
  - Business Taxes Committee

❖ **TAX PROGRAM NON-APPEARANCE MATTERS - ADJUDICATORY**

**A. Legal Appeals Matters**

- Cases Heard But Not Decided
  1. Joudah Eliav, 89000092450
  2. Daniel Joseph Cullinan, 89000694310
- Hearing Request Withdrawn
  3. James D. Green, 66259
- Petitions for Rehearing
  4. Reuben David Chudy, 15520

**B. Franchise and Income Tax Matters**

- Opinions
  1. Jon B. Minnis, 100638
  1. Milpitas Materials Company, Inc., 104667
  2. Crisa Corporation, 34424
- Decisions
  3. Julie Goldberg Botvin, 136828

❖ **TAX PROGRAM NON-APPEARANCE MATTERS - CONSENT**

**C. Legal Appeals Matters**

- Hearing Notice Sent – No Response
  1. Agonafer Shiferaw, 109209
  2. Pedro Munoz Jimenez, 100565
  3. Patrick J. Costa, 89002195820
  4. Mai-Lee Le, 111292
- Hearing Notice Sent – Appearance Waived
  5. Fire Star Financial, Inc., 40798
  5. Wespac Financial Corporation, 40816
  5. Wespac Financial Corporation, 115312
  5. Fire Star Financial, Inc., 115313
  6. Manuel Gurion, 99213
  7. Jesus Rodriguez Macias, 109075
- Hearing Request Withdrawn
  8. Universal Computer Services, Inc., 15900
  8. Universal Computer Services, Inc., 89000868280
  9. Top Notch Data, Inc., 15891
- Petitions for Rehearing
  10. Delano Furniture Center, Inc., 89002238240

**D. Franchise and Income Tax Matters**

- Decisions
  1. David Howard Sarricks, 102317
  2. James M. O'Neill, 126820
  3. John I. Douglas, 132600
  4. Robert D. Sherman, 133970
  5. Virginia Lee Pearson, 140792
  6. Mamoun A. Aryan, 141525
  7. Mark E. Saylor, 142004
  8. Stanley Eckholm, 143560
  9. Garrett Lawrence Bailey, 144414
  10. Nexink Corporation, 144874
  11. Henry R. Himmelmann, 144935
  12. William R. Hittinger, 144937
  13. Timothy K. Quick, 89002465050

- Petition for Rehearing
  14. Jack E. Easterday, 94727
  15. Dale Mitchell Heindell, 103375
  16. Abolghasem A. Moghadam, 107050
  17. Arde V. Atheian, 112506
  18. Joanne G. Lustman, 113604
  19. Randy E. Paden, 113643
  20. Jack Richard Finnegan, 115429
  21. Tisha Ayotte, 118675
  22. Penny Z. Knelman, 127561
- E. Homeowner and Renter Property Tax Assistance Matters**
  - Decisions
    1. Otis Rutherford, 129780
    2. Kevin Vo, 141850
    3. Martha L. Solis, 144146
    4. Jamileh Shahroudi, 144153
    5. Y.S. Park, 154534
- F. Sales and Use Taxes Matters**
  - Redeterminations
    1. Liquid Carbonic Industries Corporation, 89000851960
    2. Unisys Corporation, 89000852200
    3. Critical Air Medicine, Inc., 138696
    4. Stephen M. Scherer, 151083
    5. GTEM, Inc., 89002195520
  - Relief of Penalty
    6. Future Media Productions, Inc., 170053
  - Denials of Claims for Refund
    7. Infinity Extrstn Engineering, Inc., 140418
    8. Motel 6 Operating LP, 99991
- G. Sales and Use Taxes Matters - Credits, Cancellations & Refunds**
  - Credits and Cancellations
    1. California Hall Corporation, 169187
    2. File Net Corporation, 169701
    3. E-TEK Dynamics, Inc., 170158
    4. GWW LLC, 170235
    5. Schubert Fmly Trst DTD 5-12-86, 168688
    6. Agencia Aduanal Mayo Obregon, 167982
  - Refunds
    7. Hospital of the Good Samaritan, 140904
    8. Technicolor, Inc., 169216
    9. Technicolor, Inc., 169217
    10. Technicolor, Inc., 169218
    11. Technicolor, Inc., 169219
    12. Technicolor, Inc., 169221
    13. Keyes Motors, Inc., 116489
    14. Key Howard Incorporated, 116907
    15. Simpson Paper Company, 118734
    16. Asbury Tucker & Associates, Inc., 168888
    17. Avon Products, Inc., 167131
    18. California Casualty Management Co., 133979
    19. Pirelli Tire Corporation, 102915
    20. American Suzuki Motor Corp., 166697
    21. Apple Computer, Inc., 169256
    22. IKOS Systems, Inc., 140429
    23. Lotus Development Corporation, 37313
    24. Husky Injection Molding Sys, Inc., 131012

25. Alcatel Networks, Inc., 162552
26. Ford Motor Company, 168306
27. Daimler Chrysler Corporation, 168571
28. American Sterling Insurance Co., 142776
29. Hitachi Semiconductor (Amer), Inc., 158172
30. Pirelli Tire LLC, 102916
31. Pirelli Tire LLC, 168253
32. Silverado Steel, 169293
33. Barco Projection Systems, Inc., 142395
34. David Henri Neutel, 118725

#### **H. Special Taxes Matters**

- Relief of Penalty
  1. Nextel of California, Inc., 167223

#### **I. Special Taxes Matters – Credits, Cancellations & Refunds**

- Refunds
  1. City of Riverside, 170177
  2. City of Los Angeles, 171050
  3. City of Los Angeles, 171051
  4. Shell Oil Products Company, 102107
  5. Public Service Mutual Ins., Co., 170406 – “CF”
  6. Central California Power Agency, 170289

#### **❖ CORPORATE FRANCHISE AND PERSONAL INCOME TAX APPEALS HEARINGS**

- Ray A. Perry, 90021
- Raymond Smoot, 144851
- David L. and Juanita F. Thomas, 31869
- Donald B. and Julia B. Galloway, 89002467700

#### **❖ TAXPAYERS’ BILL OF RIGHTS REIMBURSEMENT CLAIM HEARING**

- Philip and Mary K. Lund, 133652

If you would like specific information regarding other items on this Board Meeting Agenda Notice please telephone (916) 322-2270 or e-mail: [MeetingInfo@boe.ca.gov](mailto:MeetingInfo@boe.ca.gov). Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

Deborah Pellegrini, Chief  
Board Proceedings Division

"CF" - Constitutional Function - The Deputy State Controller may not participate in this matter under Government Code Section 7.9.

\*Public comment on any committee agenda item will be accepted at the beginning of the committee 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.

If substantial revisions to the published text of the regulations are approved at the hearing, the regulations will be re-published for a new hearing date. If only revisions sufficiently related to the published text of the regulations are approved, a notice containing these revisions will be mailed to those persons that commented orally or in writing or that asked to be informed of such revisions. The notice will be mailed at least 15 days prior to the scheduled Board adoption of the regulations to allow them time for additional comments.

Agenda items occur sequentially. When circumstances warrant, the Chairman may modify the order of items as they appear on the agenda. Any committee agenda item may be brought to the Board at its next meeting. The hearing location is accessible to the disabled. If you require special assistance, please contact Gary Evans at 916-445-4394 to make special arrangements.