



STATE BOARD OF EQUALIZATION  
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State Controller, Sacramento

TIMOTHY W. BOYER  
Interim Executive Director

**STATE BOARD OF EQUALIZATION MEETING  
450 N Street, Room 121, Sacramento  
NOTICE AND AGENDA**

**March 23, 2004**

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of the items on the agenda.

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

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

1. Sanford and Helen P. Diller, 203453  
For Claimant: Michael Herbert, CPA  
Sanford Diller, Claimant  
For Franchise Tax Board Jeanne Sibert, Tax Counsel
2. Bruno W. and Charlene O. Schmidt, 192618  
For Appellant: Bruno W. Schmidt, Taxpayer  
For Franchise Tax Board Jean Cramer, Tax Counsel

**❖ SPECIAL TAXES APPEAL HEARING**

3. Raffi Ohanes Sepetjian, 195054  
For Petitioner: Robert Petersen, CPA  
For Department: Monica Gonzalez Brisbane, Tax Counsel

**❖ SALES AND USE TAX APPEALS HEARINGS**

- 4A. Donald S. Ju and Kam Po Ju, 100440
- 4B. Donald S. Ju, 100443  
For Claimant: Jeffrey Ju, Representative  
For Department: Kevin Hanks, Hearing Representative
- ~~5. Tanney Machine Manufacturing, Inc., 150403  
For Petitioner: John Tanney, Taxpayer  
For Department: Chris Schutz, Tax Counsel~~
6. Neocork Technologies, Inc., 204053  
For Petitioner: Andrew Starr, Taxpayer  
Jim Williams, Representative  
For Department: Trecia Nienow, Tax Counsel

7. National Medical Care, Homecare Division, Inc.  
 59219, 60413, 89000080330, 89000080340, 89000080360,  
 9000080370, 89000080380  
 For Petitioner: Joseph F. Micaleff, Representative  
 For Department: Kevin Hanks, Hearing Representative

❖ **PUBLIC HEARINGS**

8. **Proposed Adoption of Sales and Use Tax Regulation 1828.....Ms. Thurston**

Proposed Regulation 1828, Process for Reviewing Transactions & Use Tax Inquiries, is proposed to be promulgated to interpret, implement and make specific Revenue and Taxation Code section 7270. The regulation is proposed to establish a formal process for administering district tax distribution inquiries and appeals.

9. **Proposed Amendments to the Rules of Practice .....Ms. Ograd**

The Board proposes to amend Title 18, Regulations 5020, 5021, 5022, 5023, 5030, 5070, 5071, 5075, 5075.1, 5076, 5076.1, 5079, 5082.1, 5083, 5090, 5091, and 5093 and repeal Regulation 5087 of the Board's Rules of Practice. The Board's Rules of Practice are the hearing procedures applicable to the various tax and fee programs administered by the Board, including the procedures and standards for the Board's consideration of reimbursement claims under provisions of the Taxpayers' Bill of Rights.

❖ **TAX PROGRAM NONAPPEARANCE MATTERS - CONSENT**

A. **Legal Appeals Matters .....Mr. Levine**

- **THERE ARE NO ITEMS FOR THIS NONAPPEARANCE CALENDAR**

B. **Franchise and Income Tax Matters ..... Ms. Stanislaus**

- Decisions
1. Henry William and Elizabeth B. Cord, 218677
  2. James D. Fox, 212737
  3. Alan Freisleben, 212734
  4. Tapendra Gangopadhyay, 218210
  5. Christopher Michael Guerra, 222705
  6. Herbert Guevara, 219070
  7. Daniel Hume, 219073
  8. Esther Yvonne Jackson, 222856
  9. Dennis King, 216467
  10. Robert Kruse, 216435
  11. Red Bud Industries, Inc., 224004
  12. San Francisco Community Service Center, Inc., 221838
  13. Louis and Victoria Schandler, 217196
  14. Nick A. Shallerhorn, 219561
  15. James C. and Anna Sundu, 215134
  16. Miin Chyou and Ann Wu, 217486

**C. Homeowner and Renter Property Tax Assistance Matters..... Ms. Stanislaus**

## ➤ Decisions

- |                                       |                           |
|---------------------------------------|---------------------------|
| 1. Chris J. Brown, 218222             |                           |
| 2. Amber Creshae Deary, 221058        |                           |
| 3. Zelda Billie Griffin-Scott, 221065 |                           |
| 4. Sharon Hanaway, 223678             |                           |
| 5. Velma Jenkins, 221555              |                           |
| 6. Lawrence Jones, 207390             | Luella Best, 216512       |
| Manola Bomar, 209380                  | Lela M. Brown, 208963     |
| Geneva Bryant, 216475                 | Elnora Y. Buckner, 216534 |
| Dorothy M. Bullock, 207391            | Robert G. Carr, 216433    |
| Emma Dandridge, 216478                | C. J. Dawson, 209015      |
| Laurie Days, 216400                   | Doris J. Dotson, 208798   |
| Willie Fant, 208820                   | Joe L. Fort, 208933       |
| Charlotte Funches, 216414             | Nelcina Garrett, 208930   |
| Rubie Gatling, 208966                 | Elaine Hairston, 209383   |
| Selena Hammett, 208990                | Louis Hurt, 209022        |
| Geneva S. Jenkins, 216422             | Daisy M. Lawson, 216538   |
| Clara Lewis, 208924                   | Daisey M. Moorer, 216399  |
| Willie Parker, Jr., 208964            | Jonnie S. Portley, 208790 |
| A. Ruffins, 216546                    | Christine Sailes, 216543  |
| Gilbert Sanchez, 216555               | Charlene Sheppard, 208985 |
| Percy Tickle, 216550                  | Ira Lee Wash, 216402      |
| Leonie E. Willis, 216482              | Lillie R. Wooley, 208925  |
| Doretha M. Wright, 208893             | Clarice Zuber, 207392     |
| 7. Rahim Keshmiri, 212631             |                           |
| 8. Luong V. Pham, 238811              |                           |
| 9. Rayford Vernon Pryor III, 238802   |                           |
| 10. John Toliver, 221561              |                           |
| 11. Mark M. Wakefield, 218563         |                           |

**D. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds .....Mr. Hirsig**

## ➤ Credits and Cancellations

1. Ralph Dale Walts, 253133
2. Neal Brian Collins, 251267
3. Summit Machine Builders Corporation, 253074
4. CST Industries, Inc., 252196

## ➤ Refunds

5. Cibola Systems Corporation, 252345
6. Canon Business Solutions-West, Inc., 251017
7. John W. Kromer, Jr., 186034
8. Premier America Credit Union, 240764
9. Sherman Oaks Health System, 146075
10. Denny's, Inc., 195876
11. Nikken, Inc., 252080
12. Benicia Fabrication & Machine, Inc., 246292
13. St. Mary Hospital Foundation, 251063
14. Mailing & Marketing, Inc., 195518
15. Target Carpet Enterprises, Inc., 172805

16. Kla-Tencor Corporation, 252423
17. Micro-Linear Corporation, 221041
18. Cargill, Inc., 242271
19. Rae Corporation, 252137
20. Great Western Publishing, Inc., 205026
21. S & P Comstock, Inc., 173786
22. Alstom T & D, Inc., 213381
23. Bay View Acceptance Corporation, 145291
24. AM-PAC Tire Dist., Inc., 251467
25. Delphi Automotive Systems, LLC, 251468
26. DFS SPV LP, 151182
27. Sabeus Photonics, Inc., 188570
28. Newman Replacement Windows, Inc., 252079
29. Chameleon Engineering, LLC, 252401
30. A & A Amalgated Printing Enterprise, Inc., 98657
31. Arrowhead Central Credit Union, 129945
32. Novadigm, Inc., 251107
33. Amerigas Propane LP, 252779
34. Pacific Service Credit Union, 185730

**E. Sales and Use Taxes Matters .....Mr. Hirsig**

- Redeterminations
  1. Smart Professional Photocopy Corporation, 158288
  2. B & F Music & Vending, Inc., 220109
  3. BKM Total Office of California LP, 196459
  4. Inland Paperboard & Packaging, Inc., 216181
  5. Lane Bryant, Inc., 206823
  6. Bayside Dredging Company, 236009
  7. Pactiv Corporation, 196313
  8. Visiting Nurse Home Pharmacy, LLC, 187461
  9. Dayton's Commercial Interiors, Inc., 208219
  10. AlliedSignal Power Systems, Inc., 194098
  11. Astrazeneca LP, 217897
  12. Zeta, (Sierratech, Inc.), 235402
  13. Kaiser Aluminum & Chemical Corporation, 212026
  14. Victoria's Secret Store's, Inc., 206824
  15. Maska US, Inc., 238727
  16. Barnebey Sutcliffe Corporation, 216178
- Denials of Claims for Refund
  17. Rhonda Sarnicola, 242266
  18. Philadelphia Gear Corporation, 240752
  19. Great Western Publishing, Inc., 252944
  20. DFS SPV LP, 242670
  21. Schools Federal Credit Union, 202644

**F. Special Taxes Matters ..... Mr. Gau**

- Redeterminations
  1. World Oil Corporation, 167591
  2. World Oil Corporation, 215012
  3. McLane/Suneast, Inc., 218810

**G. Special Taxes Matters – Credits, Cancellations, and Refunds ..... Mr. Gau**

- Refunds
  1. Acacia National Life Insurance Company, 241961– “CF”
  2. Explorer Insurance Company, 252357– “CF”
  3. Blind Jack, Inc., 250903

**❖ TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY****H. Legal Appeals Matters ..... Mr. Levine**

- Petition for Rehearing
  1. Office Furniture L.A., Inc., 140910
- Hearing Request Withdrawn
  2. Paramount Pictures Corporation, 89000019140
- Case Heard But Not Decided
  3. McDonnell Douglas Corporation, 106386

**I. Franchise and Income Tax Matters ..... Ms. Stanislaus**

- Decisions
  1. A-C Compressor Corporation, 192031  
Dover Corporation, 192551  
Novacap, Inc., 192556
  2. Arlene Antoine, 212926

**J. Homeowner and Renter Property Tax Assistance Matters ..... Ms. Stanislaus**

- Decisions
  1. Babak Naderi, 218339
  2. Ofelia Ochoa, 224771
  3. Timothy A. Payne, 218323

**K. Sales and Use Taxes Matters – Credits, Cancellations and Refunds ..... Mr. Hirsig**

- Refunds
  1. SBC Advanced Solutions, Inc., 203005
  2. Arcadia Financial Ltd., 205682

**L. Sales and Use Taxes Matters – Redeterminations,  
Relief of Penalty and Denials of Claim for Refund ..... Mr. Hirsig**

- **THERE ARE NO ITEMS FOR THIS NONAPPEARANCE CALENDAR**

**M. Special Taxes Matters ..... Mr. Gau**

- Recission of Denial of Refund Claim
  1. BP West Coast Products, LLC, 253215

**N. Special Taxes Matters – Credits, Cancellations and Refunds ..... Mr. Gau**

- Refund
  1. BP West Coast Products, LLC, 253215

❖ **TAX PROGRAM NONAPPEARANCE MATTERS – NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE**

**O. Property Taxes Matters ..... Mr. Gau**

- Audits
  1. Citizens Telecommunications Company of California (284) – “CF”
  2. U.S. TelePacific Corporation (7757) – “CF”
  3. Altrio Communications, Inc., (7910) – “CF”

❖ **CHIEF COUNSEL MATTERS – NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE**

**P. Property Taxes Matters ..... Ms. Cazadd**

- Board Consideration of Findings and Decisions
  1. Allegiance Telecom of California, Inc. (7742), 224482
  2. Altrio Communications, Inc. (7910), 224219
  3. Broadwing Communications, Inc. (7630), 214611
  4. Comcast Phone of California, LLC (7553), 224483
  5. Wiltel Communications, Inc. (7819), 235464

❖ **CHIEF COUNSEL MATTERS**

**Q. Rulemaking**

**Business Taxes ..... Ms. Thurston**

- Section 100 Change to Sales and Use Tax Regulation
  1. Request for authorization to amend Regulation 1614, *Sales to the United States Government and Its Instrumentalities*, as an OAL Rule 100 change without regulatory effect.
  2. Request for authorization to amend Regulation 1619, *Foreign Consuls*, as an OAL Rule 100 change without regulatory effect.

❖ **ADMINISTRATIVE SESSION**

**R. Alternative Cigarette Tax Stamp Project Status Report..... Mr. Boyer**

**S. Approval of Contracts Over \$1 Million ..... Mr. Boyer/Mr. Powers**

- Approval of routine renewals of interagency agreements that expire June 30, 2004

**T. Consent Agenda ..... Ms. Pellegrini**

1. **Approval of Board Employee Retirement Resolutions**
  - Helen A. Conover
  - John G. Abbott
  - Esther C. Mester
  - Theresa De Anda
  - Don Rudisill
  - James Johnson
2. **Approval of Board Meeting Minutes**
  - May 6, 2003
  - January 27, 2004

**❖ ANNOUNCEMENT OF CLOSED SESSION ..... Ms. Pellegrini****U. Closed Session**

1. Discussion and approval of staff recommendations regarding settlement cases (R&T Code § 6901, 7093.5, 30459.1 and 50156.11)
2. Discussion and action on personnel matters (Govt. Code § 11126(a))

Adjourn  
Board Proceedings Division

Generally, 35 minutes are allocated for each hearing: 10 minutes for the taxpayer, 10 minutes for the Department, 5 minutes for the taxpayer's rebuttal, and 10 minutes for Members' questions.

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If you would like specific information regarding items on this Notice and Agenda, 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

- \* 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.

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

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of items as they appear on the agenda. The hearing location is accessible to the disabled. If you require special assistance, please contact Gary Evans at (916) 445-4394, or e-mail [Gary.Evans@boe.ca.gov](mailto:Gary.Evans@boe.ca.gov), to make special arrangements.