



## STATE BOARD OF EQUALIZATION

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**PUBLIC AGENDA NOTICE**  
**STATE BOARD OF EQUALIZATION MEETING**  
OCTOBER 24-25, 2001  
450 N STREET, CAPITOL SQUARE, SACRAMENTO

JAMES E. SPEED  
Executive Director

### **WEDNESDAY, OCTOBER 24, 2001 - BOARD COMMITTEE MEETINGS\***

#### **Board Committees Convene at 9:30 a.m.**

##### **\*Legislative Committee - Mr. Klehs, Chair - Room 122**

Ms. Margaret Shedd, Staff - (916) 322-2376  
Pending and Proposed Legislation Affecting Board Programs

##### **\*Customer Services & Administrative Efficiency Committee - Mr. Chiang, Chair- Room 121**

Mr. Bob Austin, Staff - (916) 445-8677  
Equal Employment Opportunity Program Status; Recruitment Program Plan

##### **\*Business Taxes Committee - Mr. Parrish, Chair – Room 121**

Mr. Ramon Hirsig, Staff - (916) 445-1441  
Proposed Revisions to Compliance Policy and Procedures Manual Chapter 1 ( General);  
Proposed Revisions to Compliance Policy and Procedures Manual Chapter 3 (Account  
Maintenance); Proposed Revisions to Compliance Policy and Procedures Manual Chapter 4  
(Security); Proposed Revisions to Compliance Policy and Procedures Manual Chapter 6  
(Closeouts, Clearances); Proposed New Diesel Regulation Regarding the Filing of Claims for  
Refund on Credit Card Sales to the U.S. Government (Proposed Regulation 1434, Sales of  
Diesel Fuel to the United States and Its' Agencies and Instrumentalities); [Proposed  
Regulatory Changes Regarding the Issuance of a Seller's Permit to "Buying Companies" and  
to Sellers' Websites \(Regulation 1699, Permits\); Proposed Regulatory Changes Regarding  
Providing of Property by a Caterer in Connection with the Preparation and Furnishing of Food  
\(Regulation 1603, Taxable Sales of Food Products\)](#)

#### **Board Convenes Upon Adjournment of the Business Taxes Committee**

- Senior Citizens Homeowner & Renter Assistance Hearing
- Corporate Franchise and Personal Income Tax Appeals Hearings

#### **Board Committee Convenes at 1:30 p.m.**

##### **\*Property Tax Committee – Dr. Connell, Chair - Room 121**

Mr. Richard Johnson, Staff - (916) 445-1516  
Property Tax Rules on Local Roll Procedures; Property Tax Rule 21, Taxable Possessory  
Interests-Valuation

**Board Convenes Upon Adjournment of the Property Tax Committee**

- Public Hearings

Proposed Amendment to Rule 905, Assessment of Electric Generation Facilities - Rule 905 will be amended to provide that electric generation facilities with a generating capacity over 50 megawatts and owned or used by an electrical corporation as defined in the Public Utilities Code will be state assessed property. The amendments would exclude certain small qualifying facilities and qualifying cogeneration facilities from state assessment. When the amendments are effective, certain facilities, currently locally assessed, will be state assessed.

Proposed Amendments to Property Tax Rule 29, Possessory Interests in Taxable Government-Owned Real Property - Rule 29 is proposed to clearly specify how county assessors should implement the provisions of section 11(f) of Article XIII of the California Constitution as to the assessment of taxable possessory interests in taxable local government-owned extraterritorial land. The rule amendment is necessary due to the lack of assessment uniformity among county assessors.

Proposed Amendments to Property Tax Rule 122.5, Fixtures - Rule 122.5 is proposed for amendment to clarify that permanently annexed wind machines are properly classified as fixtures for property tax assessment purposes. The rule amendment is necessary due to the lack of classification and assessment uniformity among county assessors.

Proposed Adoption to Rule 305.3, Application for Equalization Under Revenue & Taxation Code § 469 - Rule 305.3 is proposed to be added to interpret and make specific the equalization provisions of Revenue and Taxation Code section 469. The rule is necessary due to the considerable uncertainty regarding the right of an assessee to review, equalization and adjustment of all property at the location of the assessee's profession, trade or business when the result of an audit discloses property subject to escape assessment.

Proposed Amendments to Sale and use Tax Regulation 1620 – Interstate and Foreign Commerce - Regulation 1620 is proposed to be amended to interpret and make specific Revenue and Taxation Code section 6201. The amendment and adoptions are necessary to treat vessels purchased out-of-state for use in this state in a manner similar to that currently provided for vehicles and aircraft. The potential revenue effect of this amendment is \$8.7 million in payment of claims for refund for taxes paid for the three-year period open to statute.

Proposed Amendments to Sale and Use Tax Regulation 1668 – Resale Certificates - Regulation 1668 is proposed to be amended to interpret and make specific Revenue and Taxation Code sections 6091 and 6241. The amendment and adoptions are necessary to specify the application of sales and use tax to sales of tangible personal property which is resold either in the normal course of business or without prior use by the seller.

- Business Taxes Appeals Hearings

**THURSDAY, OCTOBER 25, 2001 - BOARD MEETING\*\*****Board Convenes at 9:30 a.m. - Room 121**

- Special Presentation: Presentation of Board Resolution -- John Butterfield
- CLOSED SESSION: Settlements (R & T Code § 7093.5, 7093.5(b)(3), 30459.1 and 50156.11); Pending Litigation: Core-Mark International Inc. v. State Board of Equalization, et al.; Proposition 22 Legal Defense and Education Fund v. Franchise Tax Board and State Board of Equalization (Govt. Code § 11126 (e)); Personnel Matters (Govt. Code § 11126 (a))
- Administrative Session: Executive Director's Report; Board Committee Reports; **CONSENT:** Retirement Resolutions; Adoption of Board Meeting Minutes; Memorandum of Understanding Among Other Agencies; Prepayment of Sales Tax on Motor Vehicle Fuel, Diesel Fuel and Jet Fuel; Approval of Superior Accomplishment Award Nominees; Assessors' Handbook Section 534, Rural Building Costs; Assessors' Handbook Section 531, Residential Building Costs; Non-Substantive Revisions to Business Taxes Committee Procedure Manual
- Business Taxes Non-Appearance Matters: Action on Matters Previously Heard or Submitted for Decision Without Hearing; Redeterminations; Credits, Cancellations or Claims for Refunds; Relief of Penalty; Petitions for Rehearing
- Corporate Franchise and Personal Income Tax Non-Appearance Matters: Action on Matters Previously Heard or Submitted for Decision Without Hearing; Petitions for Rehearing
- Homeowner and Renter Property Tax Assistance Matters: Action on Matters Previously Heard or Submitted for Decision Without Hearing; Decisions; Petitions for Rehearing
- Special Taxes Matters: Credits, Cancellations or Claims for Refunds; Relief of Penalty
- Property Taxes Non-Appearance Matters: Petition for Reassessment and Penalty Abatement on Unitary Escape Assessment; Petitions for Reassessment and Penalty Abatement on Unitary Value; Petitions for Reassessment of Unitary Value; Petitions for Penalty Abatement on Unitary Value; Petition for Reallocation of Unitary Value
- Business Taxes Appeals Hearings
- Property Tax Hearings – Petitions for Reassessment of Unitary Value

**Board Convenes at 1:30 a.m. - Room 121**

- Corporate Franchise and Personal Income Tax Appeals Hearings

Deborah Pellegrini, Chief  
Board Proceedings Division

\*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.

This Public Agenda Notice is available on the Internet. The Board's Website: <http://www.boe.ca.gov>