



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080
(916) 322-2270 • FAX (916) 324-3984
www.boe.ca.gov

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Acting Member
First District, San Francisco

BILL LEONARD
Second District, Sacramento/Ontario

CLAUDE PARRISH
Third District, Long Beach

JOHN CHIANG
Fourth District, Los Angeles

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State Controller, Sacramento

RAMON J. HIRSIG
Executive Director

**STATE BOARD OF EQUALIZATION MEETING
5901 GREEN VALLEY CIRCLE, ROOM 207, CULVER CITY**

Preliminary Record of Board Actions

The following is a preliminary record of Board actions taken at the September 12, 2006 Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions are the minutes of the Board, which will be adopted at a subsequent meeting.

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A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARING

A1. Jack Newton, 331494

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS

B1. Maureen R. Blatt, 318202

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied Partially Granted/Denied	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B2. Dalton Y. Shin and Tilda L. Shin, 336912 - Dismissed

B3. Angelina Mike and the Estate of Jorge G. Nunez, 262040

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Determination	Mr. Leonard	
	Mr. Parrish	
	Mr. Westly/Ms. Mandel	
	Ms. Yee	
	Mr. Chiang	

B4. Daniel Drommerhausen, 330470

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Mr. Leonard	No
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B5. Dawn B. Forbes, 305181

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied - A \$250.00 frivolous appeal penalty was ordered	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B6. John Laszloffy, 315489

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied - A \$5,000.00 frivolous appeal penalty was ordered	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

Additional Corporate Franchise and Personal Income Tax Hearings were scheduled for the afternoon session.

C. SALES AND USE TAX APPEALS HEARINGS

These items were scheduled for Wednesday, September 13, 2006.

D. SPECIAL TAXES APPEALS HEARINGS

There were no hearings for this matter.

E. PROPERTY TAX APPEALS HEARINGS

There were no hearings for this matter.

F. PUBLIC HEARING

There were no hearings for this matter.

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-item 4	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

- Hearing Notice Sent – No Response
 1. Craftsmen Steel Buildings, 293075 (FH)
- Hearing Notices Sent – Appearance Waived
 2. Scotia Industrial, Inc., 242035, 306438 (EF)
 3. Lenroy George Thompson, 326409 (AS)
 4. Crystal Chrysler-Plymouth-Dodge, Inc., 283404 (EH)

G2 Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Mr. Leonard	Yes
No Final Determination on Sub-item 13	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

➤ Decisions

1. Angel Ambriz, 330174
2. Mark W. Athay, 330153
3. Bergman J. Beteta, 330177
4. Gerald Blackie, 288487
5. John S. Calderon, 289776
6. James O. Delozier, 317251
7. Julius D. Dickson, 330094
8. James F. Doak and Gladys K. Doak, 317235
9. Martin Ford and Jeanne Anne Ford, 308245
10. Michael E. Freshman and Monique M. Freshman, 299034
11. Timothy Gallagher, 325457
12. James L. Grainger, 309724
13. ~~Yichi Gu, 318261~~
14. Regina Hawkins, 327700
15. Michael E. Hodsdon, 313119
16. Robert K. Kent, 287713
17. Jenny H. Lee, 333431
18. Parker G. Montgomery, 333233
19. Timothy P. Muzzi and Melissa N. Muzzi, 318190
20. John Noyes, 311022
21. River Garden Retirement Home, 297405
22. Kandiah Saravanabavanandhan, 315337
23. Daniel Tsui, 315127

G3 Homeowner and Renter Property Tax Assistance Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

- Decisions
1. Sean Anderson, 330234
 2. Joseph Andrade, 335249
 3. Mitchell R. Bronson, Sr., 330824
 4. Sydell Dublin, 328880
 5. Nora R. Gonzalez, 339847
 6. Rekkita Johnson, 341061
 7. Charles T. Jones, 329971
 8. Aida Manokian, 335144
 9. Robert E. Price, 331512
 10. Marc A. Villegas, 328326
 11. Johnny Lee Wickes, 328413
 12. Frank A. Wrobel, 330019

G4 Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes – not participating in #2

- Denials of Claims for Refund
1. Sunrise Manufacturing , Inc., 187550 (KH)
 2. US Telecom, Inc., 300643 (OHA)
 3. Flexics, Inc., 240393 (GH)
 4. Coty, Inc., 356243 (OHB)

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

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Mr. Leonard	Yes
No Final Determination on Sub-item 5,16,17	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes – not participating in #1
	Ms. Yee	Yes
	Mr. Chiang	Yes – not participating in #19

➤ Refunds

1. Wyeth, 356790 (OHB)
2. Bent Elbow Productions, Inc., 289153 (AC)
3. Fireside Bank, 350296 (CH)
4. Ross Stores, Inc., 356445 (CH)
5. Allergan Sales, Inc., 357255 (EAA)
6. Team Post-op, Inc., 330516 (EA)
7. Ino Therapeutics, Inc., 334542 (OHA)
8. US Doors & Building Components, LLC, 344758 (OHC)
9. Reliant Pharmaceuticals, LLC, 356242 (OHB)
10. Kraft Foods Global, Inc., 311427 (OHA)
11. American Airlines, Inc., 79475 (OHC)
12. Coty, Inc., 156010 (OHB)
13. Advanced Digital Services, Inc., 244202 (AS)
14. First Class Vending, Inc., 306521 (AA)
15. Lobel Financial Corporation, 317510 (EA)
16. Allergan Sales, LLC, 356791 (EAA)
17. Allergan Sales, LLC, 357254 (EAA)
18. The Marketing Arm, Inc., 350294 (OHC)
19. CIG Financial, 352073 (EAA)

G6 Special Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Not participating
	Ms. Yee	Yes
	Mr. Chiang	Yes

➤ Redetermination

1. The Sherwin-Williams Company, 304477 (MT)

There were 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.

H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY

There were no items for these matters.

I. TAX PROGRAM NONAPPEARANCE MATTERS

There were no items for these matters.

CHIEF COUNSEL MATTERS

There were no items for the following matters:

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

ADMINISTRATIVE SESSION

There were no items for the following matters:

- N. Consent Agenda
- O. Approval of Board Committee Meeting Minutes
- P. Other Administrative Matters

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS

B7. Robert Ho, 316751 – No Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied - A \$750.00 frivolous appeal penalty was ordered	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B8. David Claunch, 315648 – No Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied - A \$2,500.00 frivolous appeal penalty was ordered	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B9. Arturo A. Cueva, 315933 – No Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied - A \$750.00 frivolous appeal penalty was ordered	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B10. Janice Madrid, 317476 – No Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied - A \$2,500.00 frivolous appeal penalty was ordered	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B11. Jimmie Cox, 314893 – No Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied - A \$750.00 frivolous appeal penalty was ordered	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B12. Bradley Kastelle, 316304 – No Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied - A \$750.00 frivolous appeal penalty was ordered	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B13. Leonard R. Magness, 314816 – No Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied - A \$2,500.00 frivolous appeal penalty was ordered	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B14. Byron Reynolds, 307167 – No Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied - A \$5,000.00 frivolous appeal penalty was ordered	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

B15. Steven R. Olmos, 311772 – No Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied - A \$750.00 frivolous appeal penalty was ordered	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes



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A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARINGS

The Homeowner and Renter Property Tax Assistance hearings were scheduled for Tuesday, September 12, 2006.

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS

The Corporate Franchise and Personal Income Tax hearings were scheduled for Tuesday, September 12, 2006.

C. SALES AND USE TAX APPEALS HEARINGS

C1. Joong Soo Shin, 301400 (AS)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Partially Granted/Denied – Approved Revised Staff Recommendation	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

C2. Lieu Bich-Thi Nguyen and Long Thanh Do, 266727 (EA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

C3. Pascucci, Inc., 254331 (GH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Board Determination Ordered that Taxpayers be granted 30 days to submit post hearing documentation, the Department 30 days to respond and the Appeals Division 30 days to prepare a recommendation to the Board	Mr. Leonard	
	Mr. Parrish	
	Mr. Westly/Ms. Mandel	
	Ms. Yee	
	Mr. Chiang	

C4. Duralum Products, Inc., 213416 (KH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Mr. Leonard	Yes
	Mr. Parrish	Absent
	Mr. Westly/Ms. Mandel	Yes
	Ms. Yee	Yes
	Mr. Chiang	Yes

C5. Effective Engineering, Inc., 143932 (AC) Postponed

C6. Hector Gonzalez, 251992 (AA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Board Determination	Mr. Leonard	
Ordered that Taxpayers be granted 30 days to submit post hearing documentation, the Department 30 days to respond and the Appeals Division 30 days to prepare a recommendation to the Board	Mr. Parrish Mr. Westly/Ms. Mandel Ms. Yee Mr. Chiang	

C7. Michael P. Keegan, 254502 (EA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Determination	Mr. Leonard Mr. Parrish Mr. Westly/Ms. Mandel Ms. Yee Mr. Chiang	

C8. Frederik Van Rooyen, 255046, 309259 (EA) – Postponed

C9. Perfect PC Technologies, Inc., 258181 (EA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Partially Granted/Denied – Approved Revised Staff Recommendation	Mr. Leonard Mr. Parrish Mr. Westly/Ms. Mandel Ms. Yee Mr. Chiang	Yes Absent Yes Yes Not participating

C10. B & R Industries, Inc., 254513 (EA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Mr. Leonard Mr. Parrish Mr. Westly/Ms. Mandel Ms. Yee Mr. Chiang	Yes Absent Yes Yes Yes

C11. Canyon Motors, Ltd., 219451 (AS)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Board Determination Ordered that Taxpayers be granted 30 days from receipt of the transcript to submit post hearing documentation, the Department 30 days to respond and the Appeals Division 30 days to prepare a recommendation to the Board	Mr. Leonard Mr. Parrish Mr. Westly/Ms. Mandel Ms. Yee Mr. Chiang	

ADJOURNED

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