

Wednesday, May 25, 2005

The Board met at its offices at 450 N Street, Sacramento, at 9:30 a.m., with Mr. Chiang, Chair, Mr. Parrish, Vice Chair, Ms. Yee and Mr. Leonard present, Ms. Mandel present on behalf of Mr. Westly in accordance with Government Code section 7.9.

### LEGAL APPEALS MATTERS, CONSENT

The Board deferred consideration of the following matters: *D & G Marine, Inc., 82414, 207531, 90009, and Doug Bombard Enterprises, Inc., 240445.*

With respect to the Legal Appeals Matters Consent Agenda, upon a single motion of Ms. Mandel, seconded by Ms. Yee and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board made the following orders:

**D & G Marine, Inc., 82414, 207531, 90009**

12-30-96, \$288,512.81 Claim for Refund

8-11-99, \$569,198.00 Tax

6-1-96, \$43,642.50 Claim for Refund

**Doug Bombard Enterprises, Inc., 240445**

4-12-01, \$629,600.00 Claim for Refund

Action: The Board deferred consideration of this matter.

**Quetel Corporation, 191205**

7-1-94 to 12-31-01, \$9,656.42 Tax, \$00.00 Failure to File and Negligence Penalties

Action: Redetermine as recommended by the Appeals Division.

**Film for Humanities & Sciences, 154632**

10-1-93 to 9-30-01, \$140,409.21 Tax, \$00.00 Failure to File Penalty

Action: Redetermine as recommended by the Appeals Division.

**Atef Hanna Abdou, 298906**

October 26, 2004 Notice of Seizure and Forfeiture

Action: Determined that staff properly seized the cigarettes.

**Chantha Thong, 298913**

October 27, 2004 Notice of Seizure and Forfeiture

Action: Determined that staff properly seized the cigarettes.

**Rehab M. Beazak, 301718**

December 14, 2004 Notice of Seizure and Forfeiture

Action: Determined that staff properly seized the cigarettes.

**Raif Badwan, 298749**

November 1, 2004 Notice of Seizure and Forfeiture

Action: Determined that staff properly seized the cigarettes.

**Kin Sun Market, Inc., 301455**

October 20, 2004 Notice of Seizure and Forfeiture

Action: Determined that staff properly seized the cigarettes.

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**CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, CONSENT**

With respect to the Corporate Franchise and Personal Income Tax Matters Consent Agenda, upon a single motion of Ms. Yee, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board made the following orders:

**BML Inc./Bayview Mortuary, 267567**

Year Ended 6-30-01, \$15,154.68 Assessment

Action: Sustain the action of the Franchise Tax Board.

**James A. Black, 269708**

2001, \$736.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

**John Buerger, 262871, 252219**

2000, \$787.00 Tax, \$196.75 Late Filing Penalty

2001, \$9,186.00 Tax, \$2,296.50 Late Filing Penalty

Action: Sustain the action of the Franchise Tax Board and impose a \$1,000.00 frivolous appeal penalty.

**Robert S. and Mariellen Burger, 287479**

2002, \$5,416.00 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

**Louie Calles, 283984**

1999, \$926.00 Tax, \$697.25 Penalties

2000, \$958.00 Tax, \$742.25 Penalties

Action: Sustain the modified action of the Franchise Tax Board and impose a \$500.00 frivolous appeal penalty.

**Debra K. Carroll, 272602**

2001, \$807.00 Tax, \$201.75 Late Filing Penalty

Action: Sustain the action of the Franchise Tax Board and impose a \$750.00 frivolous appeal penalty.

**Albert A. Cristaldo, 267651**

1999, \$792.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

**James Davidson, 258812**

1988, \$1,416.75 Claim for Refund

Action: Modify the action of the Franchise Tax Board.

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Chandrashekhar Deshpande, 260998

2001, \$14,465.00 Tax, \$3,616.25 Late Filing Penalty

Action: Sustain the action of the Franchise Tax Board and impose a \$750.00 frivolous appeal penalty.

Paul D. and Lida Dlugie, 273273

2000, \$2,259.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Shaun Earl, 265365

2000, \$5,264.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Stephen and Cynthia Kirby, 261090

2001, \$1.00 or more Assessment

Action: Sustain the action of the Franchise Tax Board.

O. Jeffrey Owen, 266228

2001, \$618.00 Tax, \$367.75 Penalties

Action: Sustain the action of the Franchise Tax Board and impose a \$2,500.00 frivolous appeal penalty.

Kia Saidi and Mina Hossaini, 281753

2001, \$1,429.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Hal and Lesley Sandler, 251044

1997, \$23,442.00 Assessment

1998, \$29,112.00 Assessment

Action: Deny the petition for rehearing.

Paul W. and Peng N. Van Etten, 257679

1998, \$41,000.00

Action: Deny the petition for rehearing.

**HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE MATTERS, CONSENT**

The Board deferred consideration of the following matter: *Irene A. Henderson, 283775.*

With respect to the Homeowner and Renter Property Tax Assistance Matters Consent Agenda, upon a single motion of Ms. Mandel, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board made the following orders:

Freddie Akins, 283612

2004, \$347.50

Action: Sustain the action of the Franchise Tax Board.

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R. W. Arthur, 288923

2004, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Ammie Berridge, 288969

2004, \$337.00

Action: Sustain the action of the Franchise Tax Board.

Debra L. Bradley, 287012

2004, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Mai Bui, 288925

2004, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Kathryn L. Bullock, 288915

2004, \$147.50

Action: Sustain the action of the Franchise Tax Board.

Flora M. Busch, 287111

2004, \$247.50

Action: Sustain the action of the Franchise Tax Board.

Alice M. Elfman (Deceased), 281980

2003, \$297.50

Action: Sustain the action of the Franchise Tax Board.

Joisenatta Foster, 283707

2002, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Irene A. Henderson, 283775

2002, \$472.60

Action: The Board deferred consideration of this matter.

Carl Indvik, 268780

2003, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Suzan Kose, 260548

2003, \$347.50

Action: Reverse the action of the Franchise Tax Board.

Helen Luong, 284050

2004, \$347.50

Action: Sustain the action of the Franchise Tax Board.

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Grace Mackey, 294988

2004, \$347.00

Action: Sustain the action of the Franchise Tax Board.

Oliver Matthews, 282733

2003, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Alan Craig McDowell, 288511

2004, \$347.50

Action: Sustain the action of the Franchise Tax Board.

Stella Flora Mercado, 283240

2004, \$345.00

Action: Sustain the action of the Franchise Tax Board.

Robin A. Ngou, 284090

2004, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Nellie M. Stephens, 284186

2002, \$1.00 or more

Action: Sustain the action of the Franchise Tax Board.

Osie B. Surles, 288616

2004, \$9,048.00

Action: Sustain the action of the Franchise Tax Board.

Mai Tran, 285948

2004, \$305.00

Action: Sustain the action of the Franchise Tax Board.

Lam Minh Le, 253615

2003, \$347.50

Action: Deny the petition for rehearing.

**SALES AND USE TAX MATTERS, REDETERMINATIONS, RELIEF OF PENALTIES AND DENIALS OF CLAIMS FOR REFUND, CONSENT**

With respect to the Sales and Use Tax Matters, Redeterminations, Relief of Penalties and Denials of Claims for Refund, Consent Agenda, upon a single motion of Ms. Yee, seconded by Mr. Leonard and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, Mr. Chiang not participating in *Stephen Lee, 217319*; Mr. Parrish not participating in *The Gillette Company, 254075*; Ms. Mandel not participating in accordance with Government Code section 87105 in *Xilinx, Inc., 305033*; the Board made the following orders:

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Comp USA, Inc., 234479

4-1-97 to 3-31-99, \$151,840.85

Action: Approve the redetermination as recommended by staff.

Finova Technology Finance, Inc., 128862

7-1-95 to 12-31-97, \$472,028.86

Action: Approve the redetermination as recommended by staff.

Union Switch & Signal, Inc., 197990

7-1-99 to 6-30-00, \$60,439.01

Action: Approve the redetermination as recommended by staff.

Stephen Lee, 217319

6-1-97 to 12-31-99, \$216,589.17

Action: Approve the redetermination as recommended by staff. Mr. Chiang not participating.

Valerie Ann Tashjian, 293081

7-1-99 to 6-30-00, \$80,984.60

Action: Approve the redetermination as recommended by staff.

Bruker Daltonics, Inc., 261990

2-1-99 to 9-30-02, \$307,219.12

Action: Approve the redetermination as recommended by staff.

The Gillette Company, 254075

10-1-00 to 12-31-01, \$573,015.74

Action: Approve the redetermination as recommended by staff. Mr. Parrish not participating.

AEC One Stop Group, Inc., 209555

1-1-99 to 12-31-01, \$54,256.88

Action: Approve the redetermination as recommended by staff.

The Perkin-Elmer Corporation, 250031

4-1-98 to 3-31-01, \$163,548.65

Action: Approve the redetermination as recommended by staff.

CompUSA Stores, LP, 235176

4-1-97 to 6-30-99, \$61,338.19

Action: Approve the redetermination as recommended by staff.

Stock Building Supply of California, Inc., 304537

10-1-04 to 10-31-04, \$150,640.26

Action: Approve the relief of penalty as recommended by staff.

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Arizona Tile, LLC, 304533

7-1-04 to 9-30-04, \$55,090.90

Action: Approve the relief of penalty as recommended by staff.

Farla Binder, 215671

1-1-95 to 3-31-98, \$53,753.06

Action: Approve the denial of claim for refund as recommended by staff.

Universal Forms, Labels & Systems, 259705

1-1-01 to 6-30-02, \$72,049.27

Action: Approve the denial of claim for refund as recommended by staff.

File Net Corporation, 303744

1-1-97 to 3-31-02, \$109,220.87

Action: Approve the denial of claim for refund as recommended by staff.

Xilinx, Inc., 305033

10-1-97 to 3-31-01, \$65,241.87

Action: Approve the denial of claim for refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

Powell Electrical Manufacturing Company, 281764

4-1-04 to 6-30-04, \$118,644.67

Action: Approve the denial of claim for refund as recommended by staff.

Auto One Acceptance Corporation, 299292

9-1-99 to 9-30-02, \$1,930,187.81

Action: Approve the denial of claim for refund as recommended by staff.

Triangle Systems, Inc., 206927

10-1-98 to 9-30-01, \$93,927.17

Action: Approve the denial of claim for refund as recommended by staff.

ExxonMobil Oil Corporation, 290244

4-1-04 to 9-30-04, \$61,699.86

Action: Approve the denial of claim for refund as recommended by staff.

Teradyne, Inc., 212947

1-1-02 to 3-31-02, \$338,239.00

Action: Approve the denial of claim for refund as recommended by staff.

C.D.T. Inc., 91190

10-1-86 to 12-31-94, \$150,000.00

Action: Approve the denial of claim for refund as recommended by staff.

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Selbert Perkins Design, 37323

1-1-97 to 6-30-99, \$308,356.58

Action: Approve the denial of claim for refund as recommended by staff.

**SALES AND USE TAX MATTERS, CREDITS, CANCELLATIONS AND REFUNDS,  
CONSENT**

With respect to the Sales and Use Tax Matters, Credits, Cancellations and Refunds, Consent Agenda, upon a single motion of Mr. Parrish, seconded by Mr. Leonard and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, Mr. Chiang not participating in *Kyocera Industrial Ceramics Corporation, 265081*; Ms. Mandel not participating in accordance with Government Code section 87105 in *Kyocera Industrial Ceramics Corporation, 265081*; *Xilinx, Inc., 287196*; *Ford Motor Company, 303345*; and, *Nestle USA, Inc., 220499*; the Board made the following orders:

One Step Ahead Productions, Inc., 304805

1-1-02 to 9-30-03, \$76,084.13

Action: Approve the credit and cancellation as recommended by staff.

Jose Arellio Ponce, 303871, 303873

4-1-01 to 3-31-03, \$71,152.23

1-1-97 to 3-31-00, \$107,193.91

Action: Approve the credit and cancellation as recommended by staff.

Grand Ivy, Inc., 173513

1-1-92 to 12-31-94, \$151,557.00

Action: Approve the credit and cancellation as recommended by staff.

Food Service Supplies, Inc., 289580, 300143

7-1-01 to 9-30-01, \$68,304.14

10-1-01 to 12-31-01, \$60,285.96

Action: Approve the credit and cancellation as recommended by staff.

Redback Networks, Inc., 300928

4-1-01 to 11-2-03, \$5,097,545.98

Action: Approve the credit and cancellation as recommended by staff.

James Ray Hart, 304312

3-22-02 to 12-31-03, \$52,405.16

Action: Approve the credit and cancellation as recommended by staff.

Arnold J. Goldman, 304968

12-1-88 to 6-30-90, \$291,682.70

Action: Approve the refund as recommended by staff.

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**Nissan Motor Acceptance Corporation, 265248**

7-1-01 to 6-30-04, \$2,805,684.63

Action: Approve the refund as recommended by staff.

**Imagic, 240599**

7-1-00 to 9-30-04, \$70,324.14

Action: Approve the refund as recommended by staff.

**El Camino Resources, Ltd., 304754**

1-1-95 to 12-31-97, \$105,444.54

Action: Approve the refund as recommended by staff.

**Putzmeister, Inc., 192488**

10-1-00 to 6-30-01, \$112,540.62

Action: Approve the refund as recommended by staff.

**Tularik, Inc., 239628**

7-1-00 to 12-31-02, \$89,982.98

Action: Approve the refund as recommended by staff.

**Portola Packaging, Inc., 190715**

7-1-01 to 9-30-01, \$75,817.74

Action: Approve the refund as recommended by staff.

**Porex Medical Products, Inc., 174614**

1-1-00 to 12-31-01, \$80,454.12

Action: Approve the refund as recommended by staff.

**File Net Corporation, 187574**

1-1-97 to 3-31-02, \$311,368.01

Action: Approve the refund as recommended by staff.

**Kyocera Industrial Ceramics Corporation, 265081**

7-1-03 to 3-31-04, \$64,780.92

Action: Approve the refund as recommended by staff. Mr. Chiang not participating.  
Ms. Mandel not participating in accordance with Government Code section 87105.

**Xilinx, Inc., 287196**

10-1-97 to 3-31-01, \$97,638.85

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

**The Golden 1 Credit Union, 297574**

7-1-04 to 9-30-04, \$115,298.66

Action: Approve the refund as recommended by staff.

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Scholle Corporation, 295662

10-1-00 to 12-31-03, \$93,373.70

Action: Approve the refund as recommended by staff.

Epsilon Trading, Inc., 294794

7-1-04 to 9-30-04, \$1,344,548.85

Action: Approve the refund as recommended by staff.

Krueger International, Inc., 286296

7-1-01 to 6-30-02, \$56,209.72

Action: Approve the refund as recommended by staff.

Ford Motor Company, 303345

9-1-04 to 12-31-04, \$467,236.97

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

Financial Partners Credit Union, 254862

1-1-02 to 3-31-04, \$285,265.92

Action: Approve the refund as recommended by staff.

Insurance Company of the West, 256366

1-1-01 to 12-31-03, \$124,605.70

Action: Approve the refund as recommended by staff.

Auto One Acceptance Corporation, 299265

9-1-99 to 9-30-02, \$73,569.84

Action: Approve the refund as recommended by staff.

Calabasas BCD, Inc., 27465

4-18-97, \$542,174.48

Action: Approve the refund as recommended by staff.

Proquire, LLC, 303700

4-1-01 to 9-30-02, \$75,965.11

Action: Approve the refund as recommended by staff.

Donald L. Mendel, Jr., 262551

1-1-01 to 12-31-03, \$259,125.29

Action: Approve the refund as recommended by staff.

Chick-Fil-A, Inc., 262558

1-1-04 to 3-31-04, \$54,000.76

Action: Approve the refund as recommended by staff.

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Sitesmith, Inc., 243932

4-1-03 to 6-30-03, \$50,917.61

Action: Approve the refund as recommended by staff.

Sonnentag Desgin Group, Inc., 244201

7-1-00 to 12-31-03, \$145,265.48

Action: Approve the refund as recommended by staff.

Avalonbay Communities, Inc., 301150

4-1-01 to 3-31-03, \$77,793.52

Action: Approve the refund as recommended by staff.

Nestle USA, Inc., 220499

1-1-01 to 9-30-02, \$166,058.16

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 87105.

Delta Air Lines, Inc., 294790

7-1-04 to 9-30-04, \$122,694.61

Action: Approve the refund as recommended by staff.

Travis Credit Union, 296982

7-1-04 to 9-30-04, \$61,009.85

Action: Approve the refund as recommended by staff.

Wescom Credit Union, 300274

7-1-04 to 9-30-04, \$107,336.51

Action: Approve the refund as recommended by staff.

Party City Corporation, 239635

4-1-01 to 12-31-02, \$237,869.39

Action: Approve the refund as recommended by staff.

C S Business Systems, Inc., 296993

1-1-02 to 3-31-04, \$90,789.43

Action: Approve the refund as recommended by staff.

Lobel Financial Corporation, 297577

7-1-04 to 9-30-04, \$94,046.88

Action: Approve the refund as recommended by staff.

Rockwell Automation, Inc., 282914

4-1-02 to 6-30-04, \$195,212.35

Action: Approve the refund as recommended by staff.

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Toyota Motor Manufacturing, California, Inc., 300607

4-1-04 to 6-30-04, \$76,367.10

Action: Approve the refund as recommended by staff.

American Investment Bank, N.A., 259396

7-1-00 to 12-31-03, \$160,992.25

Action: Approve the refund as recommended by staff.

Challenge Financial Services, Inc., 297579

1-1-03 to 9-30-04, \$128,859.92

Action: Approve the refund as recommended by staff.

Heritage Community Credit Union, 297816

7-1-04 to 9-30-04, \$94,766.57

Action: Approve the refund as recommended by staff.

**SPECIAL TAXES MATTERS, REDETERMINATIONS AND RELIEF OF PENALTIES, CONSENT**

With respect to the Special Taxes Matters, Redeterminations and Relief of Penalties, Consent Agenda, upon a single motion of Ms. Yee, seconded by Mr. Leonard and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee and Mr. Leonard voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, the Board made the following orders:

Guardian Life Insurance Company of America, 89000894960

1-1-93 to 12-31-93, \$383,869.93

Action: Approve the redetermination as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Preferred Professional Insurance, 305565

1-1-02 to 12-31-02, \$65,476.70

Action: Approve the relief of penalty as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

**SPECIAL TAXES MATTERS, CREDITS, CANCELLATIONS AND REFUNDS, CONSENT**

With respect to the Special Taxes Matters, Credits, Cancellations and Refunds, Consent Agenda, upon a single motion of Mr. Leonard, seconded by Ms. Yee and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9 in *United Services Auto Association, 285869*; the Board made the following orders:

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Equilon Enterprises, LLC, 253577

10-1-02 to 1-31-03, \$494,451.54

Action: Approve the refund as recommended by staff.

Ultramar, Inc., 286678, 286904

1-1-94 to 12-31-97, \$57,203.06

Action: Approve the refund as recommended by staff.

Core-Mark International, Inc., 297942

1-13-05, \$142,031.45

Action: Approve the refund as recommended by staff.

Bel Air Mart, 299701

2-3-05, \$317,438.81

Action: Approve the refund as recommended by staff.

United Services Auto Association, 285869

1-1-00 to 12-31-02, \$1,419,889.69

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

**PROPERTY TAXES MATTERS, CONSENT**

With respect to the Property Taxes Matters, Consent Agenda, upon a single motion of Ms. Yee, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee and Mr. Leonard voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, the Board made the following orders:

**Petitions for Reassessment and Penalty Abatement of Unitary Escape Assessment**

Cox Communications, PCS, L.P. (2720), 253330

1999 to 2002, \$106,883,900.00

Action: Approve the reassessment and penalty abatement of 1999 to 2002 unitary value as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Sprint Spectrum L.P. (2722), 253404

1999 to 2002, \$92,411,300.00

Action: Approve the reassessment and penalty abatement of 1999 to 2002 unitary value as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

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**LEGAL APPEALS MATTERS, ADJUDICATORY**

Bosch Auto Center, Inc., 150660

1-1-97 to 3-31-00, \$125,974.27 Tax, \$36,972.31 Negligence Penalty

Considered by the Board: March 22, 2005

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Ms. Mandel, seconded by Ms. Yee and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board ordered that the petition for rehearing be granted.

**CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, ADJUDICATORY**

Azer B. Dauz, 263189

2001, \$708.00 Assessment

Considered by the Board: March 22, 2005

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Parrish, seconded by Mr. Leonard and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board adopted a decision sustaining the action of the Franchise Tax Board.

**SALES AND USE TAX MATTERS, CREDITS, CANCELLATIONS AND REFUNDS, ADJUDICATORY**

Suzanne Lee Roberts, 304963

10-1-90 to 12-31-90, \$72,782.91

Presented for Separate Discussion

Contribution Disclosures pursuant to Government Code section 15626: None were disclosed.

Action: Upon motion of Mr. Parrish, seconded by Ms. Mandel and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board approved the credit and cancellation as recommended by staff.

**TAX PROGRAM NONAPPEARANCE MATTERS NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE****PROPERTY TAX MATTERS****Audits**

Southwest Gas Corporation, (152)

2001 to 2004, \$4,800,00.00 Escaped Assessment

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee and Mr. Leonard voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, the Board adopted the audited escaped assessment as recommended by staff.

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Alpine PCS, Inc. (2746)

2001 to 2003, \$13,910,000.00 Escaped Assessment, \$1,391,000.00 Penalties, \$3,522,000.00 In-lieu Interest

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee and Mr. Leonard voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, the Board adopted the audited escaped assessment, plus penalties and in-lieu interest, as recommended by staff.

**Private Railroad Car Tax Refund**

Kennecott Utah Copper Corporation (611)

2004, \$14,564.97

U.S. Borax, Inc. (6132)

2004, \$22.35

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee and Mr. Leonard voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, the Board granted the private railroad car tax refund as recommended by staff.

**OFFERS-IN-COMPROMISE RECOMMENDATIONS**

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board approved the Offers in Compromise of *Ernest L. Adamakis; Wageh Daoud Ishak; Steven Kwanghan Yoo; Fred Halpert;* and, *George P. Bacich;* as recommended by staff.

**CHIEF COUNSEL MATTERS**

**OTHER CHIEF COUNSEL MATTERS**

Kristine Cazadd, Chief Counsel, made introductory remarks regarding clarification of the Appeals Process as discussed in the “Civil Penalties and Appeal Procedures for Violations of AB71 – The California Cigarette and Tobacco Products Licensing Act of 2003” Informal Issue Paper.

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board approved staff recommendation (Exhibit 5.3).

Exhibits to these minutes are incorporated by reference.

Wednesday, May 25, 2005

**ADMINISTRATIVE SESSION****ADMINISTRATIVE MATTERS, CONSENT**

With respect to the Administrative Matters, Consent Agenda, upon a single motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board made the following orders:

Action: Adopt the following resolutions extending its best wishes on their respective retirements and its appreciation for their service to the State Board of Equalization and the State of California (Exhibit 5.4).

Michael Carl Dendorfer, Data Processing Manager II, Technology Services  
Division, Headquarters  
Gail Fincher, Tax Technician II, Santa Rosa District Office  
Gregory Gale, Tax Auditor, West Covina District Office  
David L. Maxwell, Business Taxes Compliance Specialist, West Covina District  
Office  
Michael Mulholland, Business Taxes Specialist I, New York Out-of-State  
District Office  
Janet Nickless, Tax Technician II, Tax Area Services Section, Assessment Policy  
and Standards Division, Property and Special Taxes Department,  
Headquarters  
Patricia Olmos, Tax Technician III, Sacramento Out-of-State District Office  
Barbara J. Ortega, Secretary, Van Nuys District Office  
Clinton J. Paul, Jr., Business Taxes Specialist II, Legal Department, Headquarters  
Gary F. Platz, Principal Property Appraiser, Timber Tax Section, County  
Property Tax Division, Property and Special Taxes Department,  
Headquarters  
Daniel Tyler, Office Technician, San Francisco District Office

Action: Approve the Board Meeting Minutes of February 8, March 8-9, and March 22, 2005.

Action: Approve 2004-05 Superior Accomplishment Award Nominees (Exhibit 5.5).

Action: Approve 2005-06 Tobacco Products Tax Rate (Exhibit 5.6).

Action: Adopt 4-R Act Equalization Ratio for 2005-06 (Exhibit 5.7).

Action: Approve extensions of time to complete and submit 2005-06 local assessment rolls pursuant to Revenue and Taxation Code section 155 granted to San Luis Obispo, Lassen, Calaveras and Mariposa Counties (Exhibit 5.8).

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**BOARD COMMITTEE REPORTS**

**Property Tax Committee**

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board approved the Property Tax Committee report (Exhibit 5.9).

**OTHER ADMINISTRATIVE MATTERS**

**Executive Director's Report**

Ramon Hirsig, Executive Director, introduced David Gau, Deputy Director, Property and Special Taxes Department, who reported on the status of the Alternative Cigarette Tax Stamp Project (Exhibit 5.10).

Speakers: Russ LaCoste, Vice President, SICPA Product Security  
Mike Zimmer, President, Meyercons Revenue  
Dennis Loper, Executive Director, California Distributors Association  
(Exhibit 5.11)

Mr. Gau also reported on the status of the Electronic Waste Fee Program (Exhibit 5.12).

Mr. Hirsig introduced Todd Gilman, Chief, Taxpayers' Rights and Equal Employment Opportunity Office, who reported on the Pro Bono Legal Assistance Program (Exhibit 5.13).

**BOARD COMMITTEE REPORTS**

**Customer Services and Administrative Efficiency Committee**

Action: Upon motion of Mr. Leonard, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel voting yes, the Board approved the Customer Services and Administrative Efficiency Committee report (Exhibit 5.14).

**ANNOUNCEMENT OF CLOSED SESSION**

The Board recessed at 10:35 a.m. and reconvened immediately in closed session with Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel present.

**CLOSED SESSION**

The Board met to discuss pending litigation (Govt. Code § 11126(e)), settlements (R&T Code § 6901, 7093.5, 30459.1 and 50156.11) and personnel matters (Govt. Code § 11126(a)).

**Wednesday, May 25, 2005**

The Board recessed at 10:55 a.m. and reconvened immediately in open session with Mr. Chiang, Mr. Parrish, Ms. Yee, Mr. Leonard and Ms. Mandel present.

The Board adjourned at 10:56 a.m.

*The foregoing minutes are adopted by the Board on August 31, 2005.*

Note: The following matters were removed from the calendar prior to the meeting: *Eid H. Abdel, 299028; Nhut Si Minh Luu, 300501; Robert Stephen Jackson, 305219; and, Petition to Amend Property Tax Rule 462.180, Change in Ownership—Legal Entities*