

Thursday, May 31, 2007

The Board met at its offices at 450 N Street, Sacramento, at 11:00 a.m., Ms. Yee, Chairwoman, Ms. Chu, Vice Chair, Mr. Leonard and Ms. Steel present, Ms. Mandel present on behalf of Mr. Chiang in accordance with Government Code section 7.9.

HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE CLAIM HEARINGS

Leonardo L. Calica, 377400

2006, \$265.00

For Claimant: Leonardo L. Calica, Taxpayer

For Franchise Tax Board: Lisa Lawson, Tax Counsel

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

Issue: Whether respondent properly denied appellant's claim for property tax assistance.

Appellant's Exhibit: Miscellaneous Documents (Exhibit 5.1)

Respondent's Exhibit: HRA Exempt Property Document (Exhibit 5.2)

Action: Upon motion of Mr. Leonard, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board submitted the appeal for decision.

Exhibits to these minutes are incorporated by reference.

Mary E. Knox, 378575

2006, \$347.50

For Claimant: Mary E. Knox, Taxpayer

For Franchise Tax Board: Lisa Lawson, Tax Counsel

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

Issue: Whether respondent properly denied appellant's claim for property tax assistance.

Respondent's Exhibit: HRA Exempt Property Document (Exhibit 5.3)

Action: Upon motion of Mr. Leonard, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board submitted the appeal for decision.

CORPORATE FRANCHISE AND PERSONAL INCOME TAXES HEARINGS

Cedo Popovic and Mirjana Popovic, 353602

1999, \$54,501.72 Claim for Refund

For Claimant: Mirjana Popovic, Taxpayer

Cedo Popovic, Taxpayer

For Franchise Tax Board: Jane Perez, Tax Counsel

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

Issue: Whether appellant's claim for refund for the 1999 tax year is barred by the statute of limitations.

Action: Upon motion of Ms. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board submitted the appeal for decision.

Thursday, May 31, 2007

Kenneth B. Rawlings and Linda E. Rawlings, 343163

1998, \$408,895.00 Assessment

1999, \$149,528.00 Assessment

2000, \$72,706.00 Assessment

2001, \$111,736.00 Assessment

For Claimant:

Christopher Whitney, CPA

Barry Weissman, Representative

For Franchise Tax Board:

Renel Sapiandante, Tax Counsel

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

Issues: Whether the Franchise Tax Board used a rational method to value a contingent liability for purposes of Internal Revenue Code section 453A.

Whether the proper interest rate to be used in calculating the interest charges under Internal Revenue Code section 453A is the federal underpayment rate or the California underpayment rate.

Action: Ms. Chu moved to adopt the wait-and-see approach. The motion was seconded by Ms. Yee. Mr. Leonard made a substitute motion to reverse the action of the Franchise Tax Board on both issues. The substitute motion was seconded by Ms. Steel but failed to carry, Mr. Leonard and Ms. Steel voting yes, Ms. Yee, Ms. Chu and Ms. Mandel voting no.

Upon motion of Mr. Leonard, seconded by Ms. Steel and duly carried, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, Ms. Yee and Ms. Chu voting no, the Board modified the action of the Franchise Tax Board as to Issue 1, by applying fair market value.

Mr. Leonard moved to reverse the action of the Franchise Tax Board as to Issue 2. The motion was seconded by Ms. Steel but failed to carry, Mr. Leonard and Ms. Steel voting yes, Ms. Yee, Ms. Chu and Ms. Mandel voting no.

Upon motion of Ms. Yee, seconded by Ms. Chu and duly carried, Ms. Yee, Ms. Chu and Ms. Mandel voting yes, Mr. Leonard and Ms. Steel voting no, the Board sustained the action of the Franchise Tax Board as to Issue 2, applying California underpayment rate method.

The Board recessed at 1:00 p.m. and reconvened at 1:40 p.m. with Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang present.

BOARD PHOTOGRAPH

The annual Board photograph was taken of Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang.

PROPERTY TAX MATTER

STATE-ASSESSED PROPERTIES VALUE SETTING

Stanley Siu, Chief, State-Assessed Properties Division, Property and Special Taxes Department, made introductory remarks regarding the valuation of state-assessed properties.

Thursday, May 31, 2007

Electric Generation Facilities

Action: Upon motion of Mr. Chiang, seconded by Mr. Leonard and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

1100	AES Alamitos, LLC	256,100,000
1101	AES Redondo Beach, LLC	196,700,000
1102	AES Huntington Beach, LLC	103,700,000
1104	LSP Morro Bay, LLC	52,700,000
1105	LSP Oakland, LLC	9,090,000
1111	Long Beach Generation LLC	10,600,000
1113	Reliant Energy Coolwater, Inc.	21,800,000
1114	Reliant Energy Mandalay, Inc.	43,400,000
1115	Reliant Energy Ormond Beach, Inc.	109,000,000
1116	Reliant Energy Etiwanda, Inc.	37,400,000
1117	Reliant Energy Ellwood, Inc.	2,950,000
1118	LSP South Bay, LLC	59,600,000
1119	Mountainview Power Company, LLC	603,600,000
1134	Otay Mesa Generating Company, LLC	46,900,000
1136	Blythe Energy, LLC	244,700,000
1141	Indigo Generation LLC	75,100,000
1142	Larkspur Energy LLC	54,600,000
1145	Harbor Cogeneration Company	8,160,000
1146	AES Placerita, Inc.	7,170,000
1148	Inland Empire Energy Center, LLC	246,700,000

Action: Upon motion of Mr. Chiang, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

1103	LSP Moss Landing, LLC	680,100,000
1106	Cabrillo Power I LLC	116,400,000
1107	Cabrillo Power II LLC	6,090,000
1108	Mirant Potrero, LLC	46,500,000
1109	Mirant Delta, LLC	121,500,000
1110	El Segundo Power LLC	71,000,000
1112	La Paloma Generating Company, LLC	483,600,000
1122	GWF Energy, LLC - Hanford	66,200,000
1123	GWF Energy, LLC - Henrietta	67,400,000
1124	GWF Energy, LLC - Tracy	99,100,000
1126	Elk Hills Power, LLC	275,600,000
1127	High Desert Power Trust 2000-A	481,000,000
1128	Delta Energy Center, LLC	405,100,000

Thursday, May 31, 2007

1129	Gilroy Energy Center, LLC	92,000,000
1131	Pastoria Energy Facility, LLC	386,400,000
1132	Calpine Construction Finance Company, LP	212,900,000
1133	Metcalf Energy Center, LLC	311,900,000
1137	Sunrise Power Company, LLC	385,500,000
1143	Los Esteros Critical Energy Facility LLC	86,700,000
1149	Caithness Blythe II, LLC	608,000
1150	Tesla Power Plant	2,180,000

Energy Companies

Action: Upon motion of Mr. Chiang, seconded by Mr. Leonard and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

101	Golden State Water Company	502,400,000
106	PacifiCorp	178,200,000
135	Pacific Gas and Electric Company	16,930,000,000
141	San Diego Gas & Electric Company	4,156,800,000
146	Sierra Pacific Power Company	178,500,000
149	Southern California Gas Company	3,018,100,000
152	Southwest Gas Corporation	190,600,000
153	Transwestern Pipeline Company	657,000
173	Surprise Valley Electrification Corp.	13,200,000
176	Plumas-Sierra Rural Electric Cooperative	38,300,000
180	North Baja Pipeline, LLC	76,700,000
185	Mountain Utilities	4,440,000
187	Mojave Pipeline Company	67,100,000
188	Kern River Gas Transmission Company	330,400,000
189	Standard Pacific Gas Line, Incorporated	22,100,000
190	Tuscarora Gas Transmission Company	70,200,000
191	Arizona Public Service Company	2,710,000
192	Alpine Natural Gas Operating Company No. One LLC	2,460,000
194	West Coast Gas Company, Inc.	1,000,000
196	Questar Southern Trails Pipeline Company	34,100,000
197	El Paso Natural Gas Company	77,500,000

Action: Upon motion of Mr. Chiang, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

103	Anza Electric Cooperative, Inc.	14,100,000
148	Southern California Edison Co.	11,654,900,000
156	Atlantic Path 15, LLC	145,100,000

Thursday, May 31, 2007

160	Valley Electric Association, Inc.	53,900
193	Southwest Transmission Cooperative, Inc.	132,000
195	Wild Goose Storage, Inc.	146,700,000
198	Lodi Gas Storage, LLC	164,800,000

Pipeline Companies

Action: Upon motion of Mr. Chiang, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

400	Standard Gas Company	256,000
402	CALNEV Pipe Line LLC	70,200,000
406	CPN Pipeline Company	13,500,000
407	Valero Refining Company - California	1,290,000
409	West Coast Pipe Lines	188,800,000
410	Homestake Mining Company of California	209,000
412	Kings County Canal Company	662,000
428	CPN Pipeline Company	25,600,000
429	Chevron U.S.A., Inc.	36,200,000
432	Equilon Enterprises LLC	185,600,000
435	Natomas Central Mutual Water Company	144,100
461	SFPP, L.P.	357,000,000
462	ARCO Midcon LLC	1,340,000
464	Ventura Pipeline System	3,890,000
465	Plains All American	21,500,000
468	Shell California Pipeline Company LLC	5,480,000
469	San Ardo Pipeline Company	15,500,000
475	Searles Valley Minerals Operations Inc.	1,800,000
476	Chevron USA, Inc.	7,540,000
478	California Gas Gathering, Inc.	59,700
479	Chevron Pipeline Company	47,700,000
483	Mobil Pacific Pipeline Company	1,900,000
484	CPN Pipeline Company	5,790,000
486	Pacific Pipeline System, LLC	202,600,000
488	Pacific Terminal LLC	48,900,000

Action: Upon motion of Mr. Leonard, seconded by Mr. Chiang and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard and Mr. Chiang voting yes, Ms. Steel not participating in accordance with Government Code section 87105, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

467	ConocoPhillips Company	732,000
480	ConocoPhillips Pipe Line Company	50,900,000

Thursday, May 31, 2007

Action: Upon motion of Mr. Leonard, seconded by Mr. Chiang and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

489	Venoco, Inc.	5,460,000
490	Crimson California Pipeline, L.P.	36,080,000

Railroad Companies

Action: Upon motion of Ms. Steel, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

800	Alameda Belt Line	296,000
802	Central Oregon & Pacific Railroad	3,060,000
804	BNSF Railway Company	689,600,000
808	West Isle Line, Inc.	184,800
810	California Northern Railroad	10,400,000
812	Ventura County Railroad	2,900,000
813	Pacific Harbor Lines	16,700,000
815	Mendocino Railway	1,540,000
817	Tulare Valley Railroad	280,000
818	Central California Traction Company	6,050,000
834	Lake County Railroad	661,100
839	Oakland Terminal Railway Company	127,000
843	Union Pacific Railroad Company	862,800,000
850	Modesto & Empire Traction Company	27,100,000
857	Richmond Pacific Railroad Corporation	936,000
865	San Diego & Imperial Valley Railroad Co. Inc.	6,270,000
869	Coast Belle Railroad Co	1,210,000
878	Stockton Terminal and Eastern Railroad	10,500,000
882	Trona Railway Co.	13,300,000
883	McCloud Railway Company	2,160,000
889	Yreka Western Railroad Co.	565,400
892	Almanor Railroad Company	398,000
894	Napa Valley Wine Train, Inc.	21,600,000
896	Santa Cruz Big Trees & Pacific Railway Co.	2,020,000
897	San Joaquin Valley Railroad Company	8,650,000
898	Sierra Northern Railway	1,150,000
899	Arizona & California Railroad	5,200,000

Thursday, May 31, 2007

Action: Upon motion of Ms. Steel, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

819	Carrizo Gorge Railway, Inc.	132,000
821	Modoc Northern Railroad Company	1,419,000

Radio Telephone and Paging Companies

Action: Upon motion of Mr. Leonard, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

3005	Mobilephone of Humboldt, Inc.	115,500
3039	Fresno Mobile Radio, Inc.	481,000
3052	Vincent Communications, Inc.	33,800
3362	Madera Radio Dispatch, Inc.	386,000
3430	Metrocall, Inc.	15,800,000
3432	Point BTA 79 LLC	22,100
3434	James R. McKeown	44,700

Action: Upon motion of Ms. Chu, seconded by Mr. Leonard and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

3002	American Messaging, Inc.	2,770,000
3427	Access Paging Company, Inc.	79,625

Interexchange Telephone Companies

Action: Upon motion of Ms. Steel, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

2014	Sprint Communications Co., L.P.	348,400,000
2038	Verizon Airfone Inc.	44,000
2043	Pac-West Telecomm, Inc.	21,000,000
2054	Spacenet, Inc.	45,100
2099	Smart City Networks LP	890,000
2207	Global Crossing Telecommunications, Inc.	30,300,000
2274	MCI Communications Services, Inc.	359,700,000
2275	SES Americom, Inc.	355,000
2366	Value-Added Communications, Inc.	13,900

Thursday, May 31, 2007

2368	Globe Wireless, LLC	935,000
2372	MCI Metro Access Transmission Services, LLC.	172,000,000
2376	Working Assets Funding Service, Inc.	421,000
2416	NOS Communications, Inc.	3,680,000
2430	Electric Lightwave, LLC	29,000,000
2437	Dialink Corporation	11,900
2443	National Comtel Network, Inc.	32,300
2463	Qwest Communications Corporation	144,500,000
7503	Verizon Select Services, Inc.	2,660,000
7512	Frontier Communications of America, Inc.	7,520,000
7517	Vycera Communications, Inc.	631,000
7522	Time Warner Telecom of California, L.P.	184,500,000
7536	Global Crossing North American Networks, Inc.	15,300,000
7538	Tremcom International, Inc.	120,000
7544	Telswitch, Inc.	33,000
7553	Comcast Phone of California, LLC	16,200,000
7560	XO Communications Services, Inc.	77,700,000
7571	Network Enhanced Technologies, Inc.	542,000
7577	Qwest Interprise America, Inc.	200,000
7581	ABS-CBN Telecom North America, Inc.	238,000
7588	PNG Telecommunications, Inc.	6,700
7621	SES Americom California, Inc.	4,530,000
7625	TCAST Communications, Inc.	904,000
7630	Broadwing Communications, LLC	19,800,000
7632	Business Discount Plan, Inc.	46,420
7636	Network Telephone Services, Inc.	3,520,000
7638	Integrated Telemanagement Services, Inc	11,500
7640	Cox California Telecom, LLC	139,000,000
7645	Communications Brokers & Consultants	4,620
7686	Primus Telecommunications, Inc.	721,000
7690	CCT Telecommunications, Inc.	57,100
7699	Legacy Long Distance International	324,500
7705	Sierra Telephone Long Distance	55,000
7706	Covad Communications Company	69,600,000
7707	SureWest Long Distance	11,100
7723	Opentel Communications, Inc.	83,400
7729	New Global Telecom, Inc.	38,300
7732	NTT America, Inc.	94,100,000
7735	Pacific Centrex Services, Inc.	75,350
7740	TRI-M Communications, Inc.	834,000
7756	Centergistic Solutions, Inc.	81,100
7757	U.S. TelePacific Corp.	123,000,000
7758	BT Americas Inc.	12,800,000
7760	Teleglobe America, Inc.	10,417,000
7761	Level 3 Communications, LLC	450,400,000

Thursday, May 31, 2007

7766	KDDI America, Inc.	8,200,000
7769	Airnex Communications, Inc.	174,900
7775	RCN Telecom Services of California, Inc.	37,700,000
7777	Micro General Services Corp.	15,400
7778	NTI of California, LLC	308,000
7779	360networks (USA) Inc.	7,190,000
7781	Korea Telecom America, Inc.	713,000
7782	Ton Services, Inc.	79,640
7790	NTC Network, LLC	5,720
7791	O1 Communications, Inc.	2,510,000
7792	Point to Point, Inc.	264,000
7799	Wilshire Connection, LLC	1,440,000
7800	New Edge Networks	2,882,000
7811	Public Communications Services, Inc.	2,893,000
7813	Advanced TelCom, Inc.	4,690,000
7814	PAETEC Communications, Inc.	11,600,000
7815	GTC Telecom Corp.	183,000
7823	U.S. Telestar Communications Group	1,700
7824	Kertel Communications, Inc.	579,000
7834	Pannon Telecom, Inc.	124,300
7837	AboveNet Communications, Inc.	39,700,000
7843	Telemanagement Services, Inc.	7,920
7845	San Carlos Telecom, Inc.	232,000
7846	The Telephone Connection Local Services, LLC	35,200
7859	EAS Communication, Inc.	98,560
7868	Fones 4 All Corporation	1,430,000
7871	GTE.NET LLC	9,770,000
7872	Infotech Telecommunications & Network, Inc.	26,200
7876	Total Call International, Inc.	1,960,000
7880	Quick-Tel, Inc.	5,800
7885	SBC ASI/SBC ASI P&L L.P.	508,300,000
7887	AccessLine Communicaions Corp	141,000
7892	OnFiber Communications, Inc.	23,700,000
7894	Ponderosa Cablevision	888,000
7899	RGT Utilities of California, Inc.	34,000
7910	Champion Broadband California, LLC	7,170,000
7912	Americom Government Services, Inc.	810,000
7913	VCOM Solutions, Inc.	128,000
7914	McLeodUSA Network Services, Inc.	222,000
7916	Peak Communications, Inc.	18,400
7927	Rapid Link, Inc.	27,060
7932	Metro Access Exchange, LLC	24,200
7938	McBlue Telecom, Inc.	55,400
7939	Samsung Networks America, Inc.	8,600
7943	Veracom Networks, Inc.	1100

Thursday, May 31, 2007

7945	ZTG, Inc.	35,000
7947	IDT America Corporation	37,070
7948	Telenor Satellite Services, Inc.	9,260,000
7949	Anew Telecommunications Corporation	251,000
7950	ATMC, Inc.	8,400
7951	SWB Communications Services, Inc.	20,800,000
7953	Openpop.com, Inc.	191,000
7955	Enhanced Communications Network, Inc.	110,000
7956	Telespan Communications, LLC	110,000
7959	Airespring, Inc.	74,300
7961	SureWest Televideo	145,400,000
7964	Aries Network, Inc.	34,760
7969	Intelsat Global Service Corporation	26,400,000
7972	Yipes Enterprise Services, Inc.	8,569,000
7973	Alliance Payphone, Inc.	81,620
7978	Legent Communications Corporation	47,520
7980	Teledata Solutions, Inc.	1,043,900
7981	Leading Edge Broadband Services, LLC	1,940,000
7982	NextG Networks Of California	31,600,000
7983	LCR Services, Inc.	1,760
7985	UCN, INC.	1,410,000
7988	Global Tel*Link Corporation	2,618,000
7990	CMTel (USA) LLC	1,730,000
7992	NobelTel, LLC	1,480,000
7993	Clearworld Communications Corp	218,000
7994	Utility Telephone, Inc.	1,040,000
7996	RuralWest - Western Rural Broadband, Inc.	1,133,000
7997	Edison Carrier Solutions	67,000,000
8000	G2 Solutions, LLC	2,500
8001	Custom Switching Technologies, Inc.	78,540
8002	Neutral Tandem - California, LLC	2,060,000
8003	Creative Interconnect Communications, LLC	168,300
8004	Greenfield Communications, Inc.	650,100
8005	Cable and Wireless Americas Operations, Inc.	3,010,000
8006	Lucky Communications, Inc.	113,000
8008	Volo Communications of California, Inc.	251,900
8009	France Telecom Corporate Solutions, LLC	11,500
8011	DeITel, Inc.	220,000
8012	RB Communications, Inc.	182,000
8013	Worldwide Telecommunications, Inc.	1,100
8014	Fonica LLC	1,900
8015	China Telecom (USA) Corporation	69,200
8017	Locus Telecommunications, Inc.	701,000
8019	Global Touch Telecom, Inc.	152,900
8021	EWI Holdings, Inc.	218,000

Thursday, May 31, 2007

8022	Allstate Communications, Inc.	541,200
8023	One Phone, Inc.	125,000
8025	FreedomStarr Communications, Inc.	144,100
8027	Blue Casa Communications, Inc.	333,000
8028	Mercury Telecom, Inc.	368,000
8029	IPC Network Services, Inc.	67,600
8030	Andiamo Telecom, LLC	37,510
8031	Backbone Communications, Inc.	103,000
8032	BCE Nexxia Corporation	637,000
8034	Phone1, Inc.	451,000
8035	Access One, Inc.	8,200
8037	CA-CLEC LLC	968,000
8038	Telespan Carrier Access, LLC	31,500
8039	Voicecom Telecommunications, LLC	1,463,000
8040	Mission Telecom, Inc.	8,300
8041	DMR Communications, Inc.	337,000
8043	Acceris Management and Acquisition, LLC	1,500,000
8044	Intermetro Communications, Inc.	1,771,000
8045	IDT Spectrum	24,860
8046	Hypercube LLC	128,000
8047	Syniverse Technologies, Inc.	22,300
8049	Cbeyond Communications, LLC	4,620,000
8051	Intelletrace, Inc.	25,300
8055	Network Pts, Inc.	6,160
8057	Vertex Telecom, Inc.	646,800
8058	Computer Network Technology Corp.	10,340

Action: Upon motion of Ms. Chu, seconded by Ms. Steel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

2310	AT&T Communications, Inc.	826,400,000
2391	Arrival Communications, Inc.	6,400,000
7580	Evercom Systems, Inc.	503,800
7623	NYNEX Long Distance Company	1,370,000
7631	Worldnet Communications Services Inc.	9,680
7713	DSI/Inn-Tel, Inc.	10,340
7831	Dacom America, Inc.	1,496,000
7832	Astound Broadband LLC	20,790,000
7852	Telstra Incorporated	1,980
7870	Communications Express, Inc.	21, 120
7874	Competitive Communications, Inc.	346,500
7875	AllCom USA	27,720
7902	Zone Telecom, Inc.	483,000

Thursday, May 31, 2007

7907	Telscape Communications, Inc.	10,747,000
7911	WTI Systems & Services, Inc.	107,580
7917	APEX Telecom, Inc.	126,250
7924	BAK Communications, LLC	1,936,000
7925	UCHUB Group, Inc.	5,720
7934	Telecom House Inc.	112,200
7935	Winstar Communications, LLC	242,000
7944	Volonet Technologies, Inc.	876,700
7946	Netifice Communications, Inc.	3,179,000
7952	Advanced Tel, Inc.	58,630
7957	C.F. Communications, LLC	4,200,000
7960	CallTower, Inc.	2,112,000
7965	VizAbility Communications, Inc.	9,020
7967	New World Telecom International, Inc.	151,000
7986	Inc21.com Corporation	20,240
7995	IP Networks, Inc.	13,300,000
7998	Norcast Communications Corporation	389,400
7999	Hands On Sign Language Services, Inc.	3,800
8007	Asia Talk Telecom, Inc.	253,000
8018	Telewest, Inc.	11,770
8026	Nationwide Telecom, Inc.	43,670
8033	Telecom Consultants Inc.	3,850
8042	Paxio Inc.	446,600
8050	Starvox Communications, Inc.	594,000
8052	Worldnet Group Telecom, Inc.	27,610
8054	G2G Telecom, Inc.	12,430
8056	Myzia Communications, LLC	73,260
8059	AVT Group, Inc.	116,000
8060	Comtel Telecom Assets LP	663,000
8061	Charter Fiberlink CA-CCO, LLC	15,200,000
8062	Ezequiel Guido	3,190
8063	Time Warner Cable Information Services (California), LLC	51,000,000
8064	Best Rate Communication, Inc.	80,100
8065	ConnectTo Communications, Inc.	45,760
8066	Calmtel USA, Inc.	77,440
8067	Sunesys, Inc.	1,914,000
8068	North County Communications Corp	135,300

Thursday, May 31, 2007

Wireless Telephone Companies

Action: Upon motion of Ms. Steel, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

2512	Verizon Wireless (VAW) LLC	207,700,000
2513	Sacramento Valley Limited Partnership	229,600,000
2532	Los Angeles SMSA Ltd., Partnership	940,700,000
2552	Fresno MSA Limited Partnership	105,400,000
2559	GTE Mobilnet of California, Ltd. Partnership	464,100,000
2602	Digital Communications Network, Inc.	110,000
2605	Nova Cellular West, Inc.	45,000
2606	AT&T Mobility LLC (fka Cingular Wireless LLC)	1,831,700,000
2627	GTE Mobilnet of Santa Barbara L.P.	35,800,000
2649	Action Cellular Rent-A-Phone, Inc.	12,600
2659	Cal-One Cellular L.P.	12,500,000
2665	WWC License, LLC	7,240,000
2667	Cellco Partnership	167,800,000
2668	California RSA No. 3 Limited Partnership	9,480,000
2669	California RSA #4 Partnership	13,500,000
2671	California Rural Service Area #1, Inc.	31,300,000
2681	Everything Wireless, L.L.C.	86,300
2687	SLO Cellular, Inc.	11,440,000
2720	Sprint PCS	1,446,100,000
2733	Metro PCS California/Florida, Inc.	213,500,000
2737	Sprint Nextel Corporation	822,900,000
2745	West Coast P.C.S.	33,900,000
2746	Alpine PCS, Inc.	303,600
2748	OmniPoint Communications Inc.	1,507,400,000
2751	Ubiquitel Operating Company, Inc.	35,300,000
2753	Edge Wireless, LLC	18,800,000
2758	Image Paging & Cellular Inc.	87,200
2760	Fisher Wireless Services, Inc.	1,560,000
2762	Cricket Communications, Inc.	253,700,000
2764	NTCH-CA, Inc.	1,160,000
2767	Virgin Mobile USA, LLC	22,800,000
2771	Faith Communications, Inc.	1,430,000
2772	Globalstar USA, LLC	4,763,000
2773	Accessible Wireless, LLC	661,100

Thursday, May 31, 2007

Action: Upon motion of Ms. Chu, seconded by Ms. Steel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value (including penalty if applicable) to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

2658	Intouch America, Inc.	81,625
2683	Pay-Less Cellular	2,101,000
2774	Helio, LLC	12,650,000
2775	Nextlink Wireless, Inc.	543,000
2776	WDIG Mobile, LLC	314,000
2777	Amp'D Mobile, Inc.	6,010,000
2778	Movida Communications, Inc.	4,200
2779	Royal Street Communications, LLC	58,800,000

Local Exchange Companies

Action: Upon motion of Ms. Chu, seconded by Ms. Steel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Mr. Chiang voting yes, the Board ordered that the market value to be used in the assessment of unitary property of the following listed companies as of January 1, 2007, be as follows:

201	Verizon California, Inc.	3,480,700,000
202	CenturyTel of Eastern Oregon, Inc.	67,000
205	Ponderosa Telephone Co., The	29,300,000
209	Pinnacles Telephone Co.	1,590,000
210	Calaveras Telephone Company	11,200,000
228	Ducor Telephone Company	8,130,000
229	Global Valley Networks, Inc.	9,340,000
235	Foresthill Telephone Co.	7,840,000
239	Hornitos Telephone Company	826,000
240	Happy Valley Telephone Company	1,820,000
246	Kerman Telephone Co.	13,600,000
270	Citizens Telecommunications Company of Golden State, Inc.	2,790,000
279	Pacific Bell Telephone Company	6,927,500,000
284	Citizens Telecommunications Company of California, Inc.	134,900,000
286	Sierra Telephone Company, Inc.	42,000,000
294	SureWest Telephone	155,600,000
301	Siskiyou Telephone Company, The	27,000,000
311	Citizens Telecommunications Company of Tuolumne, Inc.	4,860,000
320	Verizon West Coast Inc.	11,600,000
327	Volcano Telephone Company	22,000,000
328	Cal-Ore Telephone Co.	7,230,000
330	Winterhaven Telephone Company	1,510,000

Thursday, May 31, 2007

Ms. Mandel entered the Boardroom on behalf of Mr. Chiang in accordance with Government Code section 7.9.

ADMINISTRATIVE MATTER

David E., Hayes, Manager, Research and Statistics Section, Legislative and Research Division, made introductory remarks regarding the adoption of 4-R Act Equalization Ratio for 2007-08 (Exhibit 5.4).

Action: Upon motion of Ms. Chu, seconded by Ms. Steel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board adopted the 4-R Act Equalization Ratio for 2007-08 as recommended by staff.

SALES AND USE TAX APPEALS HEARINGS

Molino Enterprizes, Inc., 312681 (CH)

1-1-01 to 12-31-03, \$19,422.84 Tax, \$2,969.20 Penalty

For Petitioner: Eddie Hugley, Bookkeeper

For Department: Kevin Hanks, Hearing Representative

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

Issues: Whether it was proper for the Department to use a test to compute the understated measure of tax.

Whether petitioner was negligent.

Whether relief from the penalty for failure to timely pay the determination is warranted.

Action: Upon motion of Ms. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

LMD International, Inc., 221804 (AC)

LMD Warehouse & Distribution Corporation, 221808 (AB)

Louis Diblosi, Jr., 221803 (AC)

7-1-99 to 6-30-01, \$26,074.78 Tax, \$6,448.30 Penalties

For Petitioner: Louis Diblosi, Jr. Taxpayer

For Department: Robert Tucker, Tax Counsel

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

Issues: Which of the petitioners, if any, are liable for tax in connection with the subject purchases of tangible personal property.

Whether any further adjustments are warranted to the audited measure of unreported purchases of tangible personal property subject to use tax.

Whether the Department properly imposed the penalty for misuse of a resale certificate.

Whether relief from the penalty for failure to file return is warranted.

Whether there is a basis for relieving any of the interest that has accrued on the tax liability because of unreasonable delay by a Board employee.

Thursday, May 31, 2007

Action: Upon motion of Ms. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

Warner Company Jewelers, Inc., 285782 (KH)

7-1-00 to 6-30-03, \$33,152.00 Tax

For Petitioner:

Don Wolfe, CFO, Warner Company

Matt Mandell, CPA

For Department:

Carla Caruso, Tax Counsel

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

Issue: Whether petitioner has established that the subject disallowed claimed exempt sales qualify as exempt sales to Indians.

Action: Upon motion of Ms. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

Le Dac Nguyen, 298668 (CH)

10-1-00 to 3-31-04, \$43,077.70 Tax, \$4,307.78 Penalty

For Petitioner:

Le Nguyen, Taxpayer

Wade R. Kawakami, CPA

For Department:

Kevin Hanks, Hearing Representative

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

Issues: Whether the amount of taxable sales computed by the Department is excessive.
Whether petitioner was negligent.

Action: Upon motion of Ms. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be submitted for decision.

LEGAL APPEALS MATTERS, CONSENT

With respect to the Legal Appeals Matters Consent Agenda, upon a single motion of Mr. Leonard, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, Ms. Mandel not participating in *AT&T Capital Leasing Services, 313549, 330371*, the Board made the following orders:

AT&T Capital Leasing Services, 313549, 330371 (OHB)

1-1-99 to 12-31-03, \$20,048.02 Tax

Action: Redetermine as recommended by the Appeals Division. Ms. Mandel not participating.

Cleopatra Smokes, Inc., 392273 (ET)

December 5, 2006, \$ 4,847.52 Approximate Value

Action: Determined that staff properly seized the tobacco products.

Thursday, May 31, 2007

Jong Hoon Ko, 387415 (ET)

November 16, 2006, \$121.60 Approximate Value

Action: Determined that staff properly seized the tobacco products.

Raif Badwan, 395645 (ET)

January 11, 2007, \$649.74 Approximate Value

Action: Determined that staff properly seized the tobacco products.

Bashar Nagi Algabyali, 390979 (ET)

December 11, 2006, \$135.00 Approximate Value

Action: Determined that staff properly seized the tobacco products.

Samrith Vong, 390974 (ET)

December 14, 2006, \$2,825.00 Approximate Value

Action: Determined that staff properly seized the tobacco products.

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. Chu, seconded by Ms. Steel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board made the following orders:

James O. Delozier, 317251

1999, \$2,283.00 Tax, \$570.75 Late Filing Penalty, \$500.00 Frivolous Appeal Penalty

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 Mr. Leonard, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, Ms. Mandel not participating in *Regents of the University of Cal, 341720 (BH)*; *Edison Material Supply, LLC, 303526 (EAB)*; *Edison Material Supply, LLC, 325636 (EAB)*; *Edison Material Supply, LLC, 351534 (EAB)*; and, *American Telephone-Telegraph Company, 250022 (OHB)*; the Board made the following orders:

Atlantic Richfield Company, 342563 (AA)

1-1-98 to 12-31-01, \$9,394,282.98

Action: Approve the redetermination as recommended by staff.

Regents of the University of Cal, 341720 (BH)

1-1-99 to 9-30-02, \$57,203.55

Action: Approve the redetermination as recommended by staff. Ms. Mandel not participating.

Thursday, May 31, 2007

Electronics for Imaging, Inc., 372073 (BH)

7-1-02 to 6-30-05, \$58,567.11

Action: Approve the redetermination as recommended by staff.

Sutter's Place, Inc., 325628 (GH)

8-9-02 to 9-30-04, \$63,531.68

Action: Approve the redetermination as recommended by staff.

Olympus America, Inc., 328703 (OHB)

4-1-99 to 12-31-02, \$290,130.16

Action: Approve the redetermination as recommended by staff.

Pactiv Corporation, 332326 (OHA)

1-1-97 to 9-30-04, \$746,415.76

Action: Approve the redetermination as recommended by staff.

Lancaster Group US, LLC, 301404 (OHB)

1-1-00 to 12-31-02, \$59,785.44

Action: Approve the redetermination as recommended by staff.

Edison Material Supply, LLC, 303526 (EAB)

10-1-01 to 3-31-02, \$668,133.75

Action: Approve the redetermination as recommended by staff. Ms. Mandel not participating.

Edison Material Supply, LLC, 325636 (EAB)

4-1-02 to 9-30-02, \$743,877.31

Action: Approve the redetermination as recommended by staff. Ms. Mandel not participating.

Edison Material Supply, LLC, 351534 (EAB)

10-1-02 to 9-30-04, \$128,903.49

Action: Approve the redetermination as recommended by staff. Ms. Mandel not participating.

GB Import Sales & Service, LLC, 266102 (AS)

10-1-00 to 9-30-03, \$126,723.57

Action: Approve the redetermination as recommended by staff.

Tyco Plastics LP, 353330 (OHA)

1-1-02 to 12-31-04, \$71,844.01

Action: Approve the redetermination as recommended by staff.

Metalforming, Inc., 353090 (OHA)

1-1-98 to 9-30-05, \$62,068.88

Action: Approve the redetermination as recommended by staff.

Thursday, May 31, 2007

Stremicks Heritage Foods, Inc., 296288 (EA)

1-1-00 to 12-31-02, \$496,011.75

Action: Approve the redetermination as recommended by staff.

Powerlight Corporation, 372396 (CH)

7-1-00 to 9-30-03, \$444,827.59

Action: Approve the redetermination as recommended by staff.

Louis Leon Fattoruso, 310557 (EHC)

1-1-97 to 6-30-03, \$62,842.98

Action: Approve the redetermination as recommended by staff.

Agilent Technologies, Inc., 394654 (GH)

10-1-06 to 10-31-06, \$86,738.27

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

Netversant National, Inc., 392139 (OHC)

1-1-05 to 12-31-05, \$70,131.70

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

Ontario L., LLC, 394673 (EH)

10-1-05 to 12-31-05, \$55,095.20

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

Computer Sciences Corporation, 395199 (AS)

10-1-01 to 12-31-04, \$225,496.64

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

American Telephone-Telegraph Company, 250022 (OHB)

1-1-96 to 12-31-99, \$3,129,824.00

Action: Approve the denial of claim for refund as recommended by staff. Ms. Mandel not participating.

Epsilon Trading, Inc., 389926 (OHA)

4-1-00 to 3-31-02, \$308,529.76

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

Americredit Financial Service, Inc., 289485 (OHC)

1-1-04 to 12-31-05, \$356,152.46

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

Newport Acceptance Corporation, 395197 (EA)

1-1-03 to 12-31-04, \$105,424.24

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

Thursday, May 31, 2007

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

The Board deferred consideration of the following matter: *Montgomery Ward, LLC, 394694 (OHA)*.

With respect to the Sales and Use Tax Matters, Credits, Cancellations and Refunds, Consent Agenda, upon a single motion of Ms. Chu, seconded by Mr. Leonard and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, Ms. Mandel not participating in accordance with Government Code section 87105 in *NEC Corporation of American, 358660*; and, *Daimler Chrysler Corporation, 390178*; the Board made the following orders:

Polymer Machinery Company, 393428 (OHA)

4-1-00 to 6-12-03, \$90,788.06

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

SPA Mart, Inc., 393465 (KH)

7-1-05 to 12-31-05, \$79,066.63

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

Allan Bryan Coon, 394787 (AR)

10-1-03 to 9-30-05, \$75,961.19

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

Technicolor, Inc., 388476 (AC)

6-29-97 to 12-29-01, \$160,520.88

Action: Approve the refund as recommended by staff.

Ceradyne, Inc., 377109 (EAA)

1-1-04 to 12-31-04, \$136,350.50

Action: Approve the refund as recommended by staff.

Chevron U.S.A., Inc., 355876 (BH)

1-1-05 to 12-31-05, \$3,003,555.25

Action: Approve the refund as recommended by staff.

Computer Sciences Corporation, 204176 (AS)

7-1-01 to 6-30-02, \$254,409.45

Action: Approve the refund as recommended by staff.

Computer Sciences Corporation, 314683 (AS)

10-1-01 to 12-31-04, \$400,931.07

Action: Approve the refund as recommended by staff.

Thursday, May 31, 2007

The Golden 1 Credit Union, 339201 (KH)

4-1-03 to 12-31-05, \$347,232.48

Action: Approve the refund as recommended by staff.

Motorola, Inc., 388449 (OHA)

1-1-01 to 12-31-03, \$151,454.39

Action: Approve the refund as recommended by staff.

Epsilon Trading, Inc., 194157 (OHA)

4-1-00 to 3-31-02, \$133,990.83

Action: Approve the refund as recommended by staff.

NEC Corporation of American, 358660 (KH)

10-1-05 to 3-31-06, \$75,000.07

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

Hempel USA, Inc., 388998 (OHC)

1-1-06 to 9-30-06, \$70,750.80

Action: Approve the refund as recommended by staff.

Daimler Chrysler Corporation, 390178 (CHA)

6-26-06 to 12-26-06, \$472,397.00

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

Western United Insurance Company, 360867 (EAA)

4-1-03 to 9-30-06, \$204,625.05

Action: Approve the refund as recommended by staff.

Mercedes-Benz USA, LLC, 383135 (KH)

12-13-06 to 1-17-07, \$288,666.00

Action: Approve the refund as recommended by staff.

Cepheid, 393630 (GH)

1-1-04 to 6-30-06, \$71,247.52

Action: Approve the refund as recommended by staff.

Netflix, Inc., 271160 (GH)

4-1-01 to 9-30-04, \$192,510.34

Action: Approve the refund as recommended by staff.

Montgomery Ward, LLC, 394694 (OHA)

7-8-97 to 7-31-99, \$632,777.04

Action: The Board deferred consideration of this matter.

Thursday, May 31, 2007

WFS Financial Inc., 387737 (EAA)

4-1-06 to 6-30-06, \$957,640.55

Action: Approve the refund as recommended by staff.

Sonic-Buena Park H, Inc., 360044 (EA)

10-1-05 to 12-31-05, \$160,126.38

Action: Approve the refund as recommended by staff.

Hydril Company LP, 215275 (OHC)

1-1-02 to 9-30-05, \$53,740.89

Action: Approve the refund as recommended by staff.

Patelco Credit Union, 387736 (BH)

1-1-04 to 12-31-05, \$305,401.08

Action: Approve the refund as recommended by staff.

Travis Credit Union, 381013 (JHF)

4-1-06 to 6-30-06, \$140,736.63

Action: Approve the refund as recommended by staff.

Wescom Credit Union, 383296 (AP)

1-1-06 to 9-30-06, \$202,838.18

Action: Approve the refund as recommended by staff.

Altura Credit Union, 336866 (EH)

1-1-04 to 9-30-06, \$266,777.24

Action: Approve the refund as recommended by staff.

All Good Pallets, Inc., 388178 (CH)

10-1-03 to 6-30-06, \$57,087.82

Action: Approve the refund as recommended by staff.

Americredit Financial Service, Inc., 351502 (OHC)

1-1-06 to 6-30-06, \$1,879,136.00

Action: Approve the refund as recommended by staff.

Americredit Financial Service, Inc., 271446 (OHC)

1-1-04 to 12-31-05, \$7,883,638.66

Action: Approve the refund as recommended by staff.

Lobel Financial Corporation, 384570 (EA)

7-1-06 to 9-30-06, \$55,242.52

Action: Approve the refund as recommended by staff.

Thursday, May 31, 2007

Newport Acceptance Corporation, 296477 (EA)

1-1-03 to 12-31-04, \$111,470.58

Action: Approve the refund as recommended by staff.

Westlake Services, Inc., 381011 (AS)

1-1-06 to 6-30-06, \$118,946.20

Action: Approve the refund as recommended by staff.

Orange County's Credit Union, 351401 (EA)

1-1-03 to 12-31-05, \$243,543.62

Action: Approve the refund as recommended by staff.

CIG Financial, 380442 (EAA)

10-1-05 to 9-30-06, \$499,919.99

Action: Approve the refund as recommended by staff.

Sun Community Federal Credit Union, 265062 (FHA)

1-1-01 to 3-31-06, \$280,521.12

Action: Approve the refund as recommended by staff.

Meriwest Credit Union, 313714 (GH)

1-1-02 to 12-31-04, \$143,054.65

Action: Approve the refund as recommended by staff.

First City Credit Union, 357058 (AS)

1-1-05 to 3-31-06, \$67,857.99

Action: Approve the refund as recommended by staff.

Golden Bay Federal Credit Union, 325771 (GH)

1-1-01 to 12-31-04, \$88,650.56

Action: Approve the refund as recommended by staff.

SPECIAL TAXES MATTERS, RELIEF OF PENALTIES AND DENIALS OF CLAIMS FOR REFUND, CONSENT

The Board deferred consideration of the following matters: *Paramount Petroleum Corporation, 169046; Paramount Petroleum Corporation, 216272; Paramount Petroleum Corporation, 303346; Paramount Petroleum Corporation, 307629; and, Paramount Petroleum Corporation, 349783.*

With respect to the Special Taxes Matters, Relief of Penalties and Denials of Claims for Refund, Consent Agenda, upon a single motion of Ms. Chu, seconded by Mr. Leonard and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, Ms. Mandel not participating in accordance with Government Code section 87105 in *Wal-Mart Stores, Incorporated, 390025*, the Board made the following orders:

Thursday, May 31, 2007

Big West of California, LLC, 394514 (MT)

9-1-06 to 9-30-06, \$153,366.50

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

Wal-Mart Stores, Incorporated, 390025 (ER)

9-1-06 to 9-30-06, \$54,574.33

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

Paramount Petroleum Corporation, 169046 (MT)

1-1-01 to 12-31-01, \$101,361.72

Action: The Board deferred consideration of this matter.

Paramount Petroleum Corporation, 216272 (MT)

1-1-02 to 12-31-02, \$125,691.65

Action: The Board deferred consideration of this matter.

Paramount Petroleum Corporation, 303346 (MT)

1-1-03 to 12-31-03, \$114,265.13

Action: The Board deferred consideration of this matter.

Paramount Petroleum Corporation, 307629 (MT)

1-1-04 to 12-31-04, \$116,543.92

Action: The Board deferred consideration of this matter.

Paramount Petroleum Corporation, 349783 (MT)

1-1-05 to 12-31-05, \$120,625.01

Action: The Board deferred consideration of this matter.

**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. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9 in *Metropolitan Life Insurance Company, 388764*, the Board made the following orders:

Smiland Paint Company, 395174 (MT)

1-1-06 to 12-31-06, \$61,253.49

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

Metropolitan Life Insurance Company, 388764 (ET)

1-1-05 to 12-31-05, \$3,331,827.68

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

Thursday, May 31, 2007

LEGAL APPEALS MATTERS, ADJUDICATORY

Robert L. Reynolds, 208940 (KHM)

7-1-98 to 6-30-01, \$122,378.93 Tax

Considered by the Board: Memorandum Opinion

Contribution Disclosures pursuant to Government Code section 15626: No disqualifying contributions were disclosed.

Action: Upon motion of Ms. Mandel, seconded by Ms. Chu and duly carried, Ms. Yee, Ms. Chu and Ms. Mandel voting yes, Mr. Leonard and Ms. Steel voting no, the Board adopted the original version of the memorandum opinion.

Hosmer Chandler McKoon, 273016 (EA)

7-1-98 to 5-28-99, \$55,525.90 Tax, \$9,794.86 Penalty

Considered by the Board: Memorandum Opinion

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

Action: Mr. Leonard moved to bring the proposal back to the Board at a later date. The motion failed for lack of a second.

Upon motion of Mr. Leonard, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board adopted the memorandum opinion.

Global Micro, Inc., 273209 (EH)

1-1-99 to 9-30-02, \$102,479.97 Tax, \$00.00 Penalty

Considered by the Board: February 27, 2007

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

Action: Upon motion of Ms. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

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

Federated Pub AUC Agency of Upland, 382422 (EH)

1-1-97 to 3-31-97, \$52,978.81

Considered by the Board: February 27, 2007

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

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

Modern Finance Company, 378340 (AC)

7-1-05 to 12-31-05, \$57,726.45

Considered by the Board: February 27, 2007

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

Thursday, May 31, 2007

Action: Upon motion of Ms. Chu, seconded by Ms. Steel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board approved the refund as recommended by staff.

TAX PROGRAM NONAPPEARANCE MATTERS NOT SUBJECT TO CONTRIBUTION DISCLOSURE STATUTE

PROPERTY TAX MATTERS

Audits

Pacific Bell Telephone Company (279)

2003, \$81,000,000.00 Escaped Assessment, \$8,100,000.00 Penalties, \$26,730,000.00 In-lieu Interest

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

Total Call International, Inc. (7876)

2003, \$250,000.00 Escaped Assessment, \$25,000.00 Penalties, \$82,500.00 In-lieu Interest

2004, \$270,000.00 Escaped Assessment, \$27,000.00 Penalties, \$64,800.00 In-lieu Interest

2005, \$480,000.00 Escaped Assessment, \$48,000.00 Penalties, \$72,000.00 In-lieu Interest

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

Unitary Escaped Assessments

(a) Verizon Wireless (2513)

2006, \$141,174.00 Value

(b) Cingular Wireless, LLC (2606)

2005-2006, \$2,075,867.00 Value

(c) Sprint PCS (2720)

2006, \$160,094.00 Value

(d) Cricket Communications, Inc. (2762)

2003-2006, \$905,767.00 Value

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

Thursday, May 31, 2007

OFFERS-IN-COMPROMISE RECOMMENDATIONS

Action: Upon motion of Ms. Steel, seconded by Ms. Chu and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board approved the Offers in Compromise of *Jackie La Douceur; Renaissance Home, Inc.*; and, *James Medel*, as recommended by staff.

FINAL ACTION ON HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE CLAIM HEARINGS HELD MAY 31, 2007

Leonardo L. Calica, 377400

Final Action: Upon motion of Ms. Chu, seconded by Ms. Yee and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board sustained the action of the Franchise Tax Board.

The Board directed the Franchise Tax Board to provide the property tax bill to the appellant.

Mary E. Knox, 378575

Final Action: Upon motion of Ms. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board sustained the action of the Franchise Tax Board.

The Board directed the Franchise Tax Board to provide the property tax bill to the appellant.

FINAL ACTION ON CORPORATE FRANCHISE AND PERSONAL INCOME TAXES HEARING HELD MAY 31, 2007

Cedo Popovic and Mirjana Popovic, 353602

Final Action: Upon motion of Ms. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board sustained the action of the Franchise Tax Board.

FINAL ACTION ON SALES AND USE TAX APPEALS HEARINGS HELD MAY 31, 2007

Warner Company Jewelers, Inc., 285782 (KHO)

Final Action: Ms. Chu moved that the petition be redetermined with adjustments. The motion was seconded by Ms. Mandel. Mr. Leonard made a substitute motion that the petition be submitted for decision, granting the petitioner 30 days to file supporting documents, the Department 30 days to respond, and the Appeals Division 30 days thereafter to review the petitioner's supporting documents, the Department's response and provide its recommendation to the Board. The substitute motion failed for lack of a second.

Thursday, May 31, 2007

Upon motion of Ms. Chu, seconded by Ms. Mandel and duly carried, Ms. Yee, Ms. Chu and Ms. Mandel voting yes, Mr. Leonard and Ms. Steel voting no, the Board ordered an adjustment to reflect Ms. Campisi's transactions, otherwise redetermined as recommended by the Appeals Division.

Molino Enterprizes, Inc., 312681 (CH)

Final Action: Upon motion of Ms. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

LMD International, Inc., 221804 (AC)

LMD Warehouse & Distribution Corporation, 221808 (AB)

Louis Diblosi, Jr., 221803 (AC)

Final Action: Upon motion of Ms. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

Le Dac Nguyen, 298668 (GH)

Final Action: Upon motion of Ms. Chu, seconded by Ms. Mandel and unanimously carried, Ms. Yee, Ms. Chu, Mr. Leonard, Ms. Steel and Ms. Mandel voting yes, the Board ordered that the petition be redetermined as recommended by the Appeals Division.

The Board adjourned at 4:00 p.m. in memory of Pfc. Alexander R. Varela, 19, of Fernley, Nevada, son of Rinda Pope, Business Taxes Representative, Sales and Use Taxes Department, and extended its sympathy and condolences to his family and friends.

The foregoing minutes are adopted by the Board on July 17, 2007.

Note: The following cases were removed from the calendar prior to the meeting: *Taiheiyō Cement USA, Inc.*, 332855; and, *Orna Amzaleg*, 171769 (AS).