



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

SEN. GEORGE RUNNER (Ret.)
First District, Lancaster

FIONA MA, CPA
Second District, San Francisco

JEROME E. HORTON
Third District, Los Angeles County

DIANE L. HARKEY
Fourth District, Orange County

BETTY T. YEE
State Controller

CYNTHIA BRIDGES
Executive Director

STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
August 25-26, 2015
NOTICE AND AGENDA
Meeting Agenda (as of 8/25/2015, 9:00 AM)

[Agenda Changes](#)

[Webcast on Tuesday, August 25, 2015](#)

Tuesday, August 25, 2015

9:30 a.m. Pledge of Allegiance
Board Meeting Convenes*

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

A. Homeowner and Renter Property Tax Assistance Appeals Hearings
There are no items for this matter.

B. Corporate Franchise and Personal Income Tax Appeals Hearings
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

B1. [Robert H. Lowe and Sheryl L. Berkoff, 571973 +](#)
For Appellants: Robert H. Lowe, Taxpayer
Carl Williams, Witness
Mark Bernsley, Attorney
For Franchise Tax Board: Sonia Woodruff, Tax Counsel
Ron Hofsdal, Tax Counsel

~~**B2. [Boong Cha and Eunhee Cha, 850287 +](#)**~~
~~For Appellants: [James J. Pak, Attorney](#)~~
~~For Franchise Tax Board: [Brandon Knoll, Tax Counsel](#)~~
~~[Roman Johnston, Tax Counsel](#)~~

B3. [Matthew G. Krane, 813532 +](#)
For Claimant: Matthew G. Krane, Taxpayer
For Franchise Tax Board: Marguerite Mosnier, Tax Counsel
Fred Campbell-Craven, Tax Counsel

B4. [Philip M. Aker, 839858 +](#)
For Claimant: Philip M. Aker, Taxpayer
For Franchise Tax Board: Joel Smith, Tax Counsel
Fred Campbell-Craven, Tax Counsel

C. Sales and Use Tax Appeals Hearings

These items are scheduled for August 26, 2015.

There are no items for the following matters:

- D. Special Taxes Appeals Hearings
- E. Property Tax Appeals Hearings
- F. Public Hearings

G. Tax Program Nonappearance Matters – Consent

(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

G1. Legal Appeals Matters Mr. Angeja

- Hearing Notice Sent – No Response
 - 1a. Richard Patrick Chavira and Sarah Sanchez Chavira, 603249, 813210 (EH)
 - 1b. Richard Patrick Chavira and Sarah Sanchez Chavira, 774803, 813212 (EH)
 - 1c. Richard Patrick Chavira and Sarah Sanchez Chavira, 461945, 813211 (EH)
 - ~~2. Corner House Coffee, LLC, 605968 (GH)~~
 - 3. Jong Hwan Shon, 730957 (AP)
 - 4. Young & Jean, Inc., 573483 (AS)
 - 5. Ron Schumaker, 734444, 734445 (STF)
- Petitions for Release of Seized Property
 - 6. Mary Jane'z Novelties, Inc., 878282 (STF)
 - 7. Sarkis Wakimian, 879183 (STF)
 - 8. Shafiq Ahmad, 870103 (STF)

G2. Franchise and Income Tax Matters Mr. Epolite

- Hearing Notice Sent – No Response
 - 1. Steven Moore, 848349
 - 2. Carl S. Kovalik and Susan Kovalik, 792770
- Decisions
 - 3. Brian M. Brisco, 722289
 - 4. David Chu, 800103
 - 5. Robert J. Conover, 815447
 - 6. Mayra Ivonne Delaserda, 779167
 - 7. Stephanie Gibbons, 800679
 - 8. Lily Hovanesyan, 838088
 - 9. Christy J. Kohlenberger, 790940
 - 10. Larry Martin and Raquel Bech, 846920
 - 11. Merced House 7, LLC, 838660
 - 12. Raul G. Navarrete, 841610
 - 13. Chris Nguyen, 838006
 - 14. Jeanine Robert, 612642
 - 15. SF Holding Petro Ltd., 811483
 - 16. Steven R. Shannon, 842641

17. Mary J. Smith, 735737
 18. Christopher M. Thompson and Marsha Thompson, 593512
 19. Fang Tian, 845251
 20. Kenneth R. Trotter and Katherine A. Trotter, 842564
 21. Mark Vampola and Irma T. Vampola, 837039
 22. Timothy J. Washburn and Karla Washburn, 842008
 - Petitions for Rehearing
 23. Unified Precious Metals, Inc., 606172
 24. Millennium Dental Technologies, Inc., 747501
- G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.
- G4. Sales and Use Taxes Matters..... Ms. Bartolo
- Redeterminations
 1. Haemonetics Corporation, 808029 (OH)
 2. JM Restaurant Group, Inc., 625792 (AC)
 3. Ramzi Sami Faraj and Mary Ramzi Faraj, 797358 (CH)
 4. North American Power Systems Solar, 786963 (OH)
 5. Unistrut International Corp., 847608 (OH)
 - Relief of Penalty/Interest
 6. Miltenyi Biotec, Inc., 876613 (KH)
 7. George Michael Sasko, 876615 (GH)
 8. CIDIB, Inc., 876617 (AR)
 9. Bloom Energy Corporation, 876616 (GH)
 10. National Business Furniture, LLC, 876618 (OH)
 11. Kyle Smith Anderson, 876614 (OH)
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds Ms. Bartolo
- Credits and Cancellations
 1. Life-Tech, Inc., 874355 (OH)
 2. AGFA II Acquisition Corp., 873777 (OH)
 3. M B E Digital, Inc., 874058 (AP)
 - Refunds
 4. Hanson Structural Precast, 849894 (CH)
 5. Chevron U.S.A., Inc., 822552 (CH)
 6. Computer Sciences Corporation, 875825 (OH)
 7. Hoehn Motors, Inc., 714102 (FH)
 8. Maxim Integrated Products, Inc., 854433 (OH)
 9. Unilab Corporation, 810359 (OH)
 10. Biochain Institute, Inc., 871596 (CH)
 11. Elixir Medical Corporation, 779192 (GH)
 12. Cal Fuel Purchasing Group, LLC, 730455 (AS)
 13. Home Acceptance Corporation, 825129 (EA)
 14. Foundation Building Materials, LLC, 850068 (EA)
- G6. Special Taxes Matters
There are no items for this matter.

- G7. Special Taxes Matters – Credits, Cancellations, and Refunds Ms. Bartolo
- Refunds
 1. ExxonMobil Oil Corporation, 641551 (STF)
 2. Employers Compensation Insurance Company, 733438 (STF) ‘CF’
 3. Ford Motor Company, 804074 (STF) ‘CF’
 4. Hartford Underwriters Insurance Company, 805158 (STF) ‘CF’
 5. Hartford Casualty Insurance Company, 805160 (STF) ‘CF’
 6. Hartford Fire Insurance Company, 805163 (STF) ‘CF’
 7. Hartford Insurance Company of the Midwest, 805165 (STF) ‘CF’
 8. Hartford Accident & Indemnity Company, 805168 (STF) ‘CF’
 9. Sentinel Insurance Company, Ltd., 805173 (STF) ‘CF’
 10. Twin City Fire Insurance Company, 805174 (STF) ‘CF’
 11. Trumbull Insurance Company, 805175 (STF) ‘CF’
 12. Property & Casualty Insurance Company of Hartford, 805176 (STF) ‘CF’
 13. USAA Life Insurance Company, 822747 (STF) ‘CF’

There are no items for the following matters:

- G8. Property Tax Matters
 G9. Cigarette License Fee Matters
 G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory

(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

- H1. Legal Appeals Matters Mr. Angeja
- Hearing Notice Sent – No Response
 1. [AA Rancho, Inc., 569479 \(FH\) +](#)
 2. [Bharwani Corp., 740667 \(DF\) +](#)
 3. ~~[California Restaurant, 485060 \(AC\) +](#)~~
 4. [Haja, LLC, 674641 \(AS\) +](#)
 5. [Shym Corp., 611317 \(KH\) +](#)
- H2. Franchise and Income Tax Matters Mr. Epolite
- Hearing Notice Sent – Appearance Waived
 1. ~~[Joseph W. Valva and Marilyn K. Valva, 719017](#)~~
 - Section 40 (AB 2323) Matter
 2. [ConAgra Foods, Inc., 597512, 785058, 799162 +](#)

There are no items for the following matters:

- H3. Homeowner and Renter Property Tax Assistance Matters
 H4. Sales and Use Taxes Matters
- H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds Ms. Bartolo
- Credits and Cancellations
 1. USN Television Group, Inc., 876588 (AC)

There are no items for the following matters:

- H6. Special Taxes Matters
- H7. Special Taxes Matters – Credits, Cancellations, and Refunds
- H8. Property Tax Matters
- H9. Cigarette License Fee Matters
- H10. Legal Appeals Property Tax Matters

I. Tax Program Nonappearance Matters

(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

- I1. Property Taxes Matters
There are no items for this matter.
- I2. Offer in Compromise Recommendations Mr. Anderson
 - 1a. John Curtis Benjamin
 - 1b. The Fine Irishman, LLC
 - 2a. David Raymond Bindel
 - 2b. The Old Bath House, Inc.
 - 3. Joni Putrus Jamo
 - 4. Esther Karvelas
 - 5a. Ali Mottaghi
 - 5b. Mottaghi, Inc.
 - 6. Trung Thanh Ngo
 - 7. Reid Industrial Supply Company, Inc.
 - 8a. Sharon Schlesinger
 - 8b. Boku Mangos, Inc.
- I3. Local Tax Reallocation Matters
There are no items for this matter.

Chief Counsel Matters

Items that appear under these matters provide information to the Members and may require Board action or direction.

J. Rulemaking

- J1. [Petition to amend Sales and Use Tax Regulation 1525.4, *Manufacturing and Research & Development Equipment +*](#) Mr. Tucker

Petition to amend Regulation 1525.4 to add clarifying language so that taxpayers may substantiate the useful life qualification by reference to warranties, maintenance agreements or industry replacement standards.

There are no items for the following matters:

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

Administrative Session

Items that appear under these matters provide information to the Members and may require Board action or direction.

N. Consent Agenda Ms. Richmond (Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

N1. Retirement Resolutions +

- Belinda Baltazar
- Irvin Cooke
- Suzanne Cuckovich
- Felisa P. Ibay
- Sherilyn "Sheri" Larsen
- Virginia Torres

N2. Proposed Revision to Compliance Policy and Procedures Manual (CPPM) Chapter 9, *Miscellaneous* +

O. Adoption of Board Committee Reports and Approval of Committee Actions There are no items for this matter.

P. Other Administrative Matters

P1. Executive Director's Report Ms. Bridges

1. Approval of the 2016 Board Workload Plan +

The plan consists of the 2016 Board meeting calendar, annual property tax calendars, and significant dates considered in setting Board meeting dates.

2. CROS Project Update and Actions

Progress on the CROS project to replace BOE's two current legacy tax administration systems.

There are no items for the following matters:

P2. Chief Counsel Report

P3. Sales and Use Tax Deputy Director's Report

P4. Property Taxes Deputy Director's Report

P5. Administration Deputy Director's Report Ms. Murphy

1. 2016-17 Budget Change Proposals +

Proposals will be presented for Board direction and approval for inclusion in the Governor's Fiscal Year 2016-17 Budget.

- a. Permanent Establishment of Fire Prevention Fee Limited-Term Positions +
- b. Appeals Division's Business Taxes Program and Settlement Workload +
- c. Joint Operations Center-Ensuring Fuel Tax Compliance +
- d. Transition of Contracted Security Guards to State Civil Service Employees +
- e. Headquarters Facility Consolidation +

There are no items for the following matters:

- P6. Technology Deputy Director’s Report
- P7. External Affairs Deputy Director’s Report

Announcement of Closed Session Ms. Richmond

Q. Closed Session

Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code, §§ 6901, 7093.5, 30459.1, 50156.11).

Q2. Discussion and action on personnel matters (Gov. Code, § 11126(a)).

Announcement of Open Session..... Ms. Richmond

Recess - The meeting will reconvene on Wednesday, August 26, 2015, at 9:30 a.m.

General information regarding Board and Committee Meetings can be found at www.boe.ca.gov/meetings/boardcomm.htm. If you would like specific information regarding items on this Notice and Agenda, please telephone (916) 322-2270 or email: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

If you wish to receive this Notice and Agenda electronically, you can subscribe at www.boe.ca.gov/agenda.

If you wish to listen to and/or view a live broadcast of the Board meeting, please go to www.boe.ca.gov and click on Webcast.

The hearing location is accessible to people with disabilities. Please contact Rose Smith at (916) 323-9656, or email Rose.Smith@boe.ca.gov if you require special assistance.

Joann Richmond, Chief
Board Proceedings Division

- * Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- + Material is available for this item.
- ++ Material will be available at a later date.
- ‘CF’ Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.



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

SEN. GEORGE RUNNER (Ret.)
First District, Lancaster

FIONA MA, CPA
Second District, San Francisco

JEROME E. HORTON
Third District, Los Angeles County

DIANE L. HARKEY
Fourth District, Orange County

BETTY T. YEE
State Controller

CYNTHIA BRIDGES
Executive Director

STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
August 25-26, 2015
NOTICE AND AGENDA
Meeting Agenda (as of 8/25/2015, 9:00 AM)

[Agenda Changes](#)

[Webcast on Wednesday, August 26, 2015](#)

Wednesday, August 26, 2015

9:30 a.m. Board Meeting Reconvenes*

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda.

C. Sales and Use Tax Appeals Hearings

(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

~~C1. Gabriel Behjohnasghary, 620334 (AC) +~~
~~For Petitioner: Seth Bradbury, Representative~~
~~For Department: Nonita DeLaCruz, Hearing Representative~~

[C2. Wing Sang, Inc., 614232 \(AP\) +](#)
For Petitioner: Marc Brandeis, Representative
Greg Reynolds, Representative
Phillip Thong, Representative
Bill Wang, Representative
For Department: Scott Lambert, Hearing Representative

~~C3. Jalidat Incorporated, 476422 (SO) +~~
~~For Petitioner: Andre Van Der Valk, Taxpayer~~
~~For Department: Scott Lambert, Hearing Representative~~

~~C4. Farshad Aghai Tafti, 573679 (DF) +~~
~~For Petitioner: Farshad Tafti, Taxpayer~~
~~Gary Kimzey, Representative~~
~~For Department: Nonita DeLaCruz, Hearing Representative~~

[C5. James Paul Flores and Lydia Pimentel Flores, 585502 \(FH\) +](#)
For Petitioners: James Paul Flores, Taxpayer
Lydia Pimentel Flores, Taxpayer
For Department: Scott Lambert, Hearing Representative

- C6. [Shri Ranchhod Corporation, 771276, 775263 \(EH\) +](#)
 For Petitioner/Claimant: Waived Appearance
 For Department: Scott Lambert, Hearing Representative
- ~~C7. [Richard York, 563213 \(AR\) +](#)
 For Petitioner: [Richard York, Taxpayer](#)
 For Department: [Erin Dendorfer, Tax Counsel](#)~~
- ~~C8a. [Grace Fernandez, 727094 \(AP\) +](#)
 C8b. [Executive Luxury Auto Sales, Inc., 727095 \(AP\) +](#)
 For Petitioners: [Grace Fernandez, Taxpayer](#)
[David Mollahassani, Taxpayer](#)
[Jared Peterson, Attorney](#)
 For Department: [Scott Lambert, Hearing Representative](#)~~

Adjourn

General information regarding Board and Committee Meetings can be found at www.boe.ca.gov/meetings/boardcomm.htm. If you would like specific information regarding items on this Notice and Agenda, please telephone (916) 322-2270 or email: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

If you wish to receive this Notice and Agenda electronically, you can subscribe at www.boe.ca.gov/agenda.

If you wish to listen to and/or view a live broadcast of the Board meeting, please go to www.boe.ca.gov and click on Webcast.

The hearing location is accessible to people with disabilities. Please contact Rose Smith at (916) 323-9656, or email Rose.Smith@boe.ca.gov if you require special assistance.

Joann Richmond, Chief
 Board Proceedings Division

- * Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- + Material is available for this item.
- ++ Material will be available at a later date.
- 'CF' Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.