



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080
(916) 322-2270 • FAX (916) 324-3984
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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
November 17-18, 2015
NOTICE AND AGENDA
Meeting Agenda (as of 11/17/2015, 11:30 AM)

Agenda Changes

Webcast on Tuesday, November 17, 2015

Tuesday, November 17, 2015

9:30 a.m. Pledge of Allegiance

Board Committee Meeting Convenes\*

Board Meeting convenes upon Adjournment of the Board Committee Meeting\*\*

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.

Board Committee Meeting\*

Customer Service and Administrative Efficiency Committee.....

Mr. Runner, Committee Chairman

1. Pre-Election Mail Policy

Presentation and discussion of a proposed policy regarding mail sent by Board Members during pre-election periods.

Board Meeting\*\*

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
Sheryl L. Berkoff, Taxpayer
Carl Williams, Witness
Mark Bernsley, Attorney

For Franchise Tax Board: Sonia Woodruff, Tax Counsel
Ron Hofsdal, Tax Counsel

- B2. Maria Phillips (Santamaria-Del Campo) and Michael Del Campo, 741179 +**  
For Appellants: Maria Phillips, Taxpayer  
Michael Del Campo, Taxpayer  
For Franchise Tax Board: Marguerite Mosnier, Tax Counsel  
Diane Ewing, Tax Counsel
- ~~B3. Gregory Wimmer, 842007 +~~  
~~For Appellant: Gregory Wimmer, Taxpayer~~  
~~For Franchise Tax Board: Joel Smith, Tax Counsel~~  
~~Diane Ewing, Tax Counsel~~
- ~~B4a. Richard Schotts, Jr., 798666 +~~  
~~B4b. Andrea Schotts, 800099 +~~  
~~For Appellants: Richard Schotts, Jr., Taxpayer~~  
~~For Franchise Tax Board: Marguerite Mosnier, Tax Counsel~~  
~~Suzanne Small, Tax Counsel~~
- B5a. William R. Dobkin and Donya Dobkin, 728014 +**  
**B5b. Deborah M. Dobkin, 725828 +**  
For Appellants: William R. Dobkin, Taxpayer  
Joseph Mudd, Attorney  
For Franchise Tax Board: David Gemmingen, Tax Counsel  
Ron Hofsdal, Tax Counsel
- ~~B6. Larry Russ, 731267 +~~  
~~For Appellant: Larry Russ, Taxpayer~~  
~~For Franchise Tax Board: Brian Miller, Tax Counsel~~  
~~Ciro Immordino, Tax Counsel~~
- ~~B7. Cesar Z. Lugo, 790947 +~~  
~~For Appellant: Cesar Z. Lugo, Taxpayer~~  
~~For Franchise Tax Board: Andy Amara, Tax Counsel~~  
~~Diane Ewing, Tax Counsel~~
- ~~B8. Best RV & Self Storage, LLC, 856099 +~~  
~~For Appellant: Henry J. Matson, Taxpayer~~  
~~For Franchise Tax Board: Andy Amara, Tax Counsel~~  
~~Fred Campbell Craven, Tax Counsel~~
- ~~B9. Joseph A. Sciarretta, 809250 +~~  
~~For Appellant: Joseph A. Sciarretta, Taxpayer~~  
~~For Franchise Tax Board: Brian Werking, Tax Counsel~~  
~~Fred Campbell Craven, Tax Counsel~~
- ~~B10. John M. Callaghan and Doris K. Callaghan, 843533 +~~  
~~For Appellants: John M. Callaghan, Taxpayer~~  
~~For Franchise Tax Board: Maria Brosterhous, Tax Counsel~~  
~~Diane Ewing, Tax Counsel~~

**C. Sales and Use Tax Appeals Hearing**

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

**C1. Ronald J. Blomquist, 467934, 565903 (FH) +**

For Taxpayer/Claimant: Ronald J. Blomquist, Taxpayer  
 Alfred "Ted" Ruenke, Attorney  
 For Department: Erin Dendorfer, Tax Counsel

**D. Special Taxes Appeals Hearing**

This item is scheduled for Wednesday, November 18, 2015.

**E. Property Tax Appeals Hearing**

There are no items for this matter.

**F. Public Hearing****F1. Proposed Amendments to Sales and Use Tax Regulation 1525.4, Manufacturing and Research & Development Equipment +**..... Mr. Tucker

Public hearing regarding proposed amendments clarifying that taxpayers may substantiate the useful life of property using a warranty, service contract, or industry practice.

**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
  1. Agean Group, LLC, 729924 (EA)
  2. Cathedral City Ventures, LLC, 613621, 742660 (EH)
  3. Andrew Churukian, 780460 (UT)
  4. Coronado Business Supplies, 568083 (FH)
  5. Coronado Business Supplies, LLC, 568082 (FH)
  6. Federated Auction Systems, Inc., 328471, 328474 (EH)
  7. Federated Public Auction Agency of San Jose, Inc., 328469, 328479 (GH)
  8. Federated Public Auction Agency of Upland, Inc., 328505, 328512 (EH)
  9. Gerardo Herrera, 736765 (FH)
  10. Just Livin' The Dream, Inc., 763609 (EH)
  11. Ravinder Kaur, 713053 (EH)
  12. Sabina Khatun Khan, 609760 (EH)
  13. L.A. Liquidators, Inc., 328467, 341048 (AS)
  14. Liquor Castle, Inc., 627014 (AC)
  15. Migz Graphics and Printing, Inc., 611751 (AP)

- 16a. Om Namah Shivam, Inc., 394740 (EH)
  - 16b. Om Namah Shivam, Inc., 727104 (EH)
  - 17. Pollo Amigo, 803427 (EA)
  - 18. James Paul Ramsey, 597044 (AA)
  - 19. Bijan Sharifi, 328545, 328546, 328547, 328548, 328549, 328550, 328551, 359618 (EH)
  - Petition for Release of Seized Property
  - 20. Rouhollah Nowrouzi, 916384 (STF)
  - Petitions for Rehearing
  - 21. G & C Equipment Corporation, 373826 (AS)
  - 22. Azim Shaalemi, 521073 (AC)
- G2. Franchise and Income Tax Matters ..... Mr. Epolite
- Hearing Notice Sent – No Response
  - 1. Toni M. Ognibene, 607091
  - Decisions
  - 2. Margaret Albertson and John Albertson, 837570
  - 3. Francisco Alvarez, 852205
  - 4. Brett Burton, 840587
  - 5. Edward J. Carroll and Joan L. Carroll, 809823
  - 6. Connie Carter, 796767
  - 7. CSL Behring, LLC, 837577
  - 8. Karen Douglas and Estate of Richard J. Ellis (Dec'd), 843527
  - 9. Ramiro Flores, 841005
  - 10. Dwayne L. Free, 815443
  - 11. Lauren L. Johnson, 826596
  - 12. Jeremy Oranje, 856316
  - 13. Pitney Bowes, Inc., 625617
  - 14. Mark Rivest, 841194
  - 15a. Darren R. Saville, 799683
  - 15b. Michael S. Saville and Roberta S. Saville, 800046
  - Petitions for Rehearing
  - 16. Clifford L. Marshall and Deanna R. Marshall, 816195
  - 17. Ruben Moriel and Diane Moriel, 797314
- 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. Children's Hospital of Los Angeles, 869257 (AC)
  - 2. Alla S. Filmus, 835536 (BH)
  - 3. GE-Prolec Transformers, Inc., 602987 (OH)
  - 4. A & J Assembly, Inc., 668215 (GH)
  - 5. Ameripride Services, Inc., 733846 (OH)
  - 6. Expotechnik Limited Partnership, 603236 (OH)

- Denials of Claims for Refund
    7. Logitech, Inc., 839868 (CH)
    8. Federal Express Corporation, 812266 (OH)
    9. Kraft Foods Group, Inc., 863664 (OH)
  - Grant-One Day Interest Relief
    10. A & L Equipment, Inc., 915810 (DF)
    11. Anthony Joe Lewis, 915811 (KH)
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds ..... Ms. Bartolo
- Credits and Cancellations
    1. Larry Sault, 627495 (EH)
    2. Mitra Jarrahzadeh, 914106 (AA)
    3. Pavers Etc., Inc., 914403 (EH)
  - Refunds
    4. Unisource Worldwide, Inc., 908335 (OH)
    5. Wells Fargo Bank, National Assn., 558357 (OH)
    6. Capri Sun, Inc., 862297 (OH)
    7. County Riverside Auditor-Controller, 744614 (EH)
    8. Federal Express Corporation, 812266 (OH)
    9. Chevrolet Motor Division, 910376 (OH)
    10. Tata Technologies, Inc., 574178 (OH)
    11. Kraft Foods Group, Inc., 863664 (OH)
    12. Lobel Financial Corporation, 876288 (EA)
    13. Medcal Sales, LLC, 850946 (EH)
    14. Harley-Davidson Credit Corp., 876292 (OH)
    15. First American Title Insurance Company, 569009 (EA)
    16. Disney Online, 850304 (OH)
    17. U.S. Bank National Association ND, 745136 (OH)
- G6. Special Taxes Matters  
There are no items for this matter.
- G7. Special Taxes Matters – Credits, Cancellations, and Refunds ..... Ms. Bartolo
- Refunds
    1. GFBC, Inc., 845603 (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.....Mr. Ambrose
- Petitions for Reassessment of Unitary Value
    1. La Paloma Generating Company, LLC (1112), 901576 ‘CF’
    2. ~~Verizon California, Inc. (201), 903737 ‘CF’~~
  - Petition for Penalty Abatement on Unitary Value
    3. ~~SES Americom California, Inc. (7621), 908059 ‘CF’~~

**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. [California Restaurant Authority, Inc., 485060 \(AC\)+](#)
    2. [Haja, LLC, 674641 \(AS\)+](#)
    3. [Hezghiahoo Aharon Investment, Inc., 611158 \(AR\)+](#)
- H2. Franchise and Income Tax Matters ..... Mr. Ambrose
- Section 40 (AB 2323) Matter
    1. [Unified Precious Metals, Inc., 606172 +](#)

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
- H6. Special Taxes Matters
- H7. Special Taxes Matters – Credits, Cancellations, and Refunds
- H8. Property Tax Matters
- H9. Cigarette License Fee Matter
- 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
1. ~~420 For The People Cooperative, Inc.~~
  2. Samir Rizk Abbushi
  3. Anna Reina Caballero
  - 4a. Robert T. De Castro
  - 4b. Alive and Well, Inc.
  5. Remik Davoodi Chigani
  - 6a. Constable Jack's, LLC
  - 6b. Timothy G. Looper
  - 6c. Jacquelin Looper
  - 7a. Thomas Dean Franciskovich
  - 7b. Colorworks Printing, Inc.
  8. Brian Henry Jones
  - 9a. Rodney M. Maister
  - 9b. Rancho Barbeques, Inc.
  - 9c. Maister Enterprises, Inc.
  10. Michael David Olivetti
  11. Karl Heinz Sabarth
  12. Gordgi Safarian
  13. Asish Singh
  14. Stella Sutton

- I3. Local Tax Reallocation Matters  
There are no items for this matter.

#### Chief Counsel Matters

There are no items for the following matters:

- J. Rulemaking  
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 +**

- K. John Emmett
- Tze-Ming Lau
- James M. Njiri
- Neil Shah

**N2. Approval of the 2016 Timberland Production Zone Values +**

For the 2016 lien date, request approval for certification by the Board to county assessors of the current values of lands zoned for timberland production.

**N3. Approval of Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors* +**

Request approval for publication of the 2016 revision of Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors*.

**N4. Proposed revisions to Compliance Policy and Procedures Manual (CPPM) Chapter 1, *General*; Chapter 7, *Collections*; Chapter 8, *Consumer Use Tax*; and Chapter 9, *Miscellaneous* +**

**N5. Proposed revisions to Audit Manual (AM) Chapter 2, *Preparation of Field Audit Reports* and Compliance Policy and Procedures Manual (CPPM) Chapter 7, *Collections* +**

- O. Adoption of Board Committee Report and Approval of Committee Actions**  
O1. Customer Service and Administrative Efficiency Committee

**P. Other Administrative Matters**

P1. Executive Director’s Report ..... Ms. Bridges

1. CROS Project Update and Actions ..... Mr. Gau  
Progress on the CROS project to replace BOE’s two current legacy tax administration systems.

P2. Chief Counsel Report  
There are no items for this matter.

P3. Special Taxes and Fees Deputy Director’s Report ..... Ms. Bartolo

1. **Effects of Proposition 10 on Cigarette and Tobacco Products Consumption +**

Section 130105(c) of the Health and Safety Code, as added by Proposition 10, requires the Board to determine the effect of Proposition 10 on the consumption of cigarettes and tobacco products and directs that a transfer of funds to Proposition 99 and breast cancer programs be made to backfill for revenue losses to those programs resulting from consumption changes triggered by Proposition 10. The intent of the backfill is to keep the funding levels of certain Proposition 99 and breast cancer programs from declining any more than they would have decreased without the Proposition 10 tax increase.

There are no items for the following matters:

- P4. Property Tax Deputy Director’s Report
- P5. Administration Deputy Director’s Report
- 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, November 18, 2015, at 9:30 a.m.



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Joann Richmond, Chief  
Board Proceedings Division

- \* Public comment on any committee agenda item will be accepted at the beginning of the committee meeting. Subsequent to committee meetings, committee agenda items may be taken up separately during the Board meeting.
- \*\* Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- + Material is available for this item.
- 'CF' Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.



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**C. Sales and Use Tax Appeals Hearings**

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

**C2. [Stainless Fixtures, Inc., 505327 \(AP\) +](#)**

For Petitioner: Lana Hammerton, Representative  
David M. Berger, Attorney  
For Department: Scott Lambert, Hearing Representative

~~C3. [Johnny Zegarra, 600482 \(AA\) +](#)~~

~~For Petitioner: Robert Herrera, Representative  
For Department: Nonita DeLaCruz, Hearing Representative~~

~~C4. [Arturo Rojas Castaneda, 556722 \(EH\) +](#)~~

~~For Claimant: Arturo Rojas Castaneda, Taxpayer  
Arturo Carrillo, Representative  
For Department: Nonita DeLaCruz, Hearing Representative~~

~~C5. [Richard Clark Farrell, 600710 \(EA\) +](#)~~

~~For Petitioner: Richard Clark Farrell, Taxpayer  
For Department: Erin Dendorfer, Tax Counsel~~

**C6. [Port Petroleum, Inc., 474336, 551074 \(AA\) +](#)**

For Petitioner/Claimant: Douglas Wallace, Taxpayer  
Pat Gorman, Representative  
Allen L. Thomas, Attorney  
For Department: Andrew Kwee, Tax Counsel

**D. Special Taxes Appeals Hearing**

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

**Petition for Release of Seized Property Hearing****D1. Almond Corporation, 867053 (STF) +**


For Petitioner: Sherif Loza, Taxpayer

For Department: Pamela Mash, Tax Counsel

**Adjourn**

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