



STATE BOARD OF EQUALIZATION  
450 N STREET, SACRAMENTO, CALIFORNIA  
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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

DAVID J. GAU  
Executive Director

**STATE BOARD OF EQUALIZATION MEETING**  
**1 Civic Center Plaza, Irvine**  
**NOTICE AND AGENDA**  
**Meeting Agenda (as of 7/13/2016 5:00 PM)**

[Agenda Changes](#)

[Webcast on Thursday, July 14, 2016](#)

**Thursday, July 14, 2016**

**9:00 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 will not be moved to an earlier session.

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. Alan R. Brayton, 852168 +  
For Appellant: Alan R. Brayton, Taxpayer  
Richard Carpenter, Attorney  
For Franchise Tax Board: Eric Yadao, Tax Counsel  
Natasha Page, Tax Counsel~~

~~B2. Cesar Z. Lugo, 790947 +  
For Appellant: Cesar Z. Lugo, Taxpayer  
For Franchise Tax Board: Andy Amara, Tax Counsel  
Diane Ewing, Tax Counsel~~

**C. Sales and Use Tax Appeals Hearings**  
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

**C1. Irma Osuna, 847485 (AA) +**  
For Petitioner: Irma Osuna, Taxpayer  
For Department: Nenita DeLaCruz, Hearing Representative

- ~~C2a. R.M. Custom Wood Finishing, Inc., 586214 (EA) +~~
- ~~C2b. Ramon Murguia, 586215 (EA) +~~
  - ~~For Claimants: \_\_\_\_\_ Ramon Murguia, Sr., Taxpayer~~
  - ~~\_\_\_\_\_ Ramon Murguia, Jr., Witness~~
  - ~~\_\_\_\_\_ Eva Alvarez, Witness~~
  - ~~For Department: \_\_\_\_\_ Kevin Smith, Tax Counsel~~
  
- ~~C3. Paedick Gharapanianse, 568598 (AC) +~~
  - ~~For Petitioner: \_\_\_\_\_ Paedick Gharapanianse, Taxpayer~~
  - ~~\_\_\_\_\_ Levon Filian, Representative~~
  - ~~For Department: \_\_\_\_\_ Scott Lambert, Hearing Representative~~

There are no items for the following matters:

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

**F. Public Hearing**

- F1. [Proposed Amendments to Property Tax Rule 462.040, Change in Ownership – Joint Tenancies +](#) ..... Ms. Yim

Public hearing regarding amendments to clarify and better organize the rule, and make it consistent with Revenue and Taxation Code sections 62.3 and 65.

**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. California Realty Partners, Inc., 756863 (AR)
    - 2. JAB Marine Services, LLC, 620844 (UT)
    - 3a. Henri Raymond Traboulsi, 522515 (EA)
    - 3b. A Touch of Art, Inc., 521964 (EA)
    - 4a. Earl Fee, 807238 (STF)
    - 4b. Earl Fee, 807239 (STF)
    - 5. Gareebee Enterprises, Inc., 627328 (STF)
  - Petitions for Rehearing
    - 6. Brian Scott Gerstein, 606328 (EA)
    - 7. Sahak Jeiranian, 841617 (STF)
  
- G2. Franchise and Income Tax Matters ..... Mr. Epolite
  - Decision
    - 1. Cheryl G. Campos, 819050
    - 2. Dalaj International Corp., 862138
    - 3. Christina Ferreira, 764252
    - 4. Amanda Gari (Abel) and Albert Abel, Jr., 795390

5. Brenda Guachena, 825476
6. HJL20, Inc., 860003
7. Mike Kobeissi and Sandy Kobeissi, 877163
8. Charles Leonardi, 870737
9. MTU Aero Engines North America, Inc., 865516
10. Vantania C. Pelzer, 600478
11. Photo Booth Fever, Inc., 880781
- 12a. Shank's Extracts, Inc., 857013
- 12b. Jeffrey F. Lehman, 857098
13. SKZ Vending, 879546
- Petitions for Rehearing
14. Richard Liqun He and Sheri Xiaochun Liu, 663709, 744889
15. Edward Lavi, 861784

There are no items for the following matters:

- G3. Homeowner and Renter Property Tax Assistance Matters
- G4. Sales and Use Taxes Matters
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds
- G6. Special Taxes Matters
- G7. Special Taxes Matters – Credits, Cancellations, and Refunds
- G8. Property Tax Matters
- G9. Cigarette License Fee Matters
- G10. Legal Appeals Property Tax Matters

#### H. Tax Program Nonappearance Matters – Adjudicatory

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

- H1. Legal Appeals Matters ..... Mr. Angeja
  - Hearing Notice Sent – Appearance Waived
    1. G & C Equipment Corporation, 373826 (AS)
- H2. Franchise and Income Tax Matters ..... Mr. Thompson
  - Decisions
    1. Michael C. Fletcher and Janis I. Fletcher, 603936
  - Section 40 (AB 2323) Matters
    - 2a. Brian N. Khoury, 867810 +
    - 2b. Jason B. Khoury and Lisa B. Khoury, 867855 +
    - 2c. Noelle K. Ludwig and Timothy S. Ludwig, 867874 +

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 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. Loyce Douglas Crisp
  - 1b. Quick 'n Split Fast Food Enterprises, Inc.
  2. Hi Sam Kim
  - 3a. Yeong Joo Kim
  - 3b. Madam Vi, Inc.
  - 3c. Vijon, Inc.
  4. Rang Ngoc Le
  5. Marcia Verence Ochoa
  6. Reed Family Corporation
  - 7a. Manuel Sanchez
  - 7b. Plantillas Carpet Service, Inc.
  - 7c. Sanchez Flooring Service, Inc.
- 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 +
- Diane K. DeWitt
  - Chris H. Drews
  - Randy Ferris
  - Kenneth C. Leung
  - Judy W. Lui
  - Mark A. Noack
  - Ted Odiorne
- N2. Approval of Board Meeting Minutes
- [June 14, 2016 +](#)

- N3. Report on Time Extensions to El Dorado, Humboldt, Inyo, Lake, Napa, Nevada, and San Benito Counties to complete and submit fiscal year 2016-17 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155 +
- N4. Proposed revisions to Audit Manual Chapters 1, *General Information*, and 4, *General Audit Procedures*; and Compliance Policy and Procedures Manual Chapters 1, *General* and 7, *Collections* +
- N5. Proposed revisions to Compliance Policy and Procedures Manual Chapters 1, *General*, 2, *Registration*, 4, *Security*, and 7, *Collections* +
- N6. Annual Meeting of the State Board of Equalization and County Assessors +

Request approval to invite county assessors to meet with the Board and discuss issues relating to property assessment administration.

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

**P. Other Administrative Matters**

There are no items for the following matters:

- P1. Executive Director's Report
- P2. Chief Counsel Report
- P3. Business Tax and Fee Deputy Director's Report
- P4. Field Operations Department Report
- P5. Property Tax Deputy Director's Report ..... Mr. Kinnee
1. **Fiscal Year 2016-17 Private Railroad Car Tax Rate 'CF' +** ..... Mr. Durham  
Report on computation of the tax rate applicable to the 2016-17 Private Railroad Car Tax Assessment.
2. Adoption of the 2016 Private Railroad Car Roll 'CF' .....Mr. Harris  
Staff recommendation for the lien date 2016 assessment of private railroad cars under the provisions of the Private Railroad Car Tax Law.
3. Adoption of the 2016 State-Assessed Property Roll 'CF' .....Mr. Harris  
Staff recommendation on the allocations of the unitary values adopted by the Board in May 2016, plus adjustments based on prior Board action and staff-recommended nonunitary values.

- P6. Administration Deputy Director’s Report .....Ms. Murphy
  - 1. Budget Update ..... Mr. Holtz  
An update on the Board of Equalization’s Fiscal Year 2016-17 budget may be provided.
  - ~~2. Update on Bargaining Process.....Ms. Mayorga  
Periodic updates on the status of negotiations may be provided, to the extent they are available and not privileged or confidential.~~
- P7. Technology Deputy Director’s Report .....Ms. Fleming
  - 1. CROS Project Update and Actions  
Progress on the CROS project to replace BOE’s two current legacy tax administration systems.
- P8. External Affairs Deputy Director’s Report  
There are no items for this matter.

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

**1:30 p.m. Board Meeting Reconvenes\***

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

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

~~C4. Runt’s Trucking, Inc., 683822 (FH) +  
 For Petitioner: \_\_\_\_\_ Ryan Simpson, Witness  
 \_\_\_\_\_ Laura Kelton, Representative  
 For Department: \_\_\_\_\_ Scott Claremon, Tax Counsel~~

~~C5. ACI Silverise Products, 569300 (EA) +  
 For Petitioner: \_\_\_\_\_ Peter Chen, Taxpayer  
 \_\_\_\_\_ Joyce Rebhun, Representative  
 For Department: \_\_\_\_\_ Nenita DeLaCruz, Hearing Representative~~


C6. ~~2S Pizza, Inc., 740225 (EA) +~~  
~~For Petitioner: Manuel A. Almeida, Representative~~  
~~Marc Brandeis, Representative~~  
~~For Department: Scott Lambert, Hearing Representative~~

C7. ~~Jessica Chase, 760013 (AS) +~~  
~~For Taxpayer: Andy Epstein, 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](http://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](mailto:MeetingInfo@boe.ca.gov). Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

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If you wish to listen to and/or view a live broadcast of the Board meeting, please go to [www.boe.ca.gov](http://www.boe.ca.gov) and click on  in the Board Meetings Section.

The hearing location is accessible to people with disabilities. Please contact Rose Smith at (916) 323-9656, or email [Rose.Smith@boe.ca.gov](mailto: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.
- 'CF' Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.