



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

DAVID J. GAU
Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
August 30-31, 2016
NOTICE AND AGENDA
Meeting Agenda (as of 8/29/2016, 3:30 PM)

Agenda Changes

Webcast on Tuesday, August 30, 2016

Tuesday, August 30, 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 may be postponed to a subsequent day; however, items will not be moved to an earlier day or to an earlier session on the same day.

Board Committee Meeting**

This item is scheduled for later in the day.

Board Meeting*

Special Presentations

- Presentation of Board Resolution..... Chairwoman Ma
Honorable Senator Sharon Runner +
Presentation of Retirement Resolution..... Chairwoman Ma
Randy Ferris, Chief Counsel, Legal Department +
Report from Selvi Stanislaus, Executive Director,
Franchise Tax Board
Report from Franchise Tax Board on 2015 Earned Income
Tax Credit and VITA Program.

- 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. Paula Trust, 759422 +

For Appellant: Andrew McCullough, Representative
Sam Doolittle, Representative
Edwin P. Antolin, Attorney
Prentiss Willson, Attorney
For Franchise Tax Board: Sonia Woodruff, Tax Counsel
Doug Powers, Tax Counsel
Natasha Page, Tax Counsel

~~B2. David Chan and Suzanne Nagy-Chan, 605761 +~~

~~For Appellants: Suzanne Nagy-Chan, Taxpayer
For Franchise Tax Board: Ciro Immordino, Tax Counsel
David Gemmingen, Tax Counsel~~

B3. John A. Mattson and Tara L. Mattson, 816470 +

For Appellants: John A. Mattson, Taxpayer
For Franchise Tax Board: Jason Riley, Tax Counsel
David Gemmingen, Tax Counsel

B4. Frances C. Dandy and Estate of Stanford Dandy (Dec'd), 924692 +

For Appellants: Craig A. Houghton, Attorney
For Franchise Tax Board: Maria Brosterhous, Tax Counsel
Natasha Page, Tax Counsel

C. Sales and Use Tax Appeals Hearings

These items are scheduled for Wednesday, August 31, 2016.

There are no items for the following matters:

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

1:30 p.m. Board Committee Meeting Convenes**

Business Taxes Committee.....Ms. Harkey, Committee Chairwoman

- 1. Proposed Amendments to Sales and Use Tax Regulation 1591, *Medicines and Medical Devices*

Request approval and authorization to publish proposed amendments to clarify that permanently implanted articles that mark the location of "or otherwise monitor" a medical condition

qualify as “medicines” under subdivision (b)(2), *Permanently Implanted Articles*.

Board Meeting Reconvenes*

F. Public Hearing

- F1. [Proposed Amendments to Sales and Use Tax Regulation 1702.5, Responsible Person Liability +](#).....Ms. Castillo

Public hearing regarding proposed amendments to clarify and provide guidance regarding the Board’s historical interpretations of Revenue and Taxation Code section 6829 and the regulation.

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. Zain H. Azzghayer and Adla Azzghayer, 814036 (BH)
 2. Rosita A. Carrillo, 848210 (DF)
 3. Paul Jorge Carvalho, 760098 (CH)
 4. Mark Holden, 611392 (AR)
 5. Adil Saleh Ali Isa, 839003 (CH)
- Hearing Notice Sent – Appearance Waived
 6. JMJ Wholesale Autos, 758216 (UT)
 7. Levitz Furniture, LLC, 461479 (OH)
- Petitions for Release of Seized Property
 8. Sam’s Market, Inc., 948258 (STF)
 9. Precise Auto, 952078 (STF)
 10. Salattar Corporation, 949925 (STF)
 11. Salattar Corporation, 949926 (STF)
 12. Napa Valley Limoncello Company, 954628 (STF)

- G2. Franchise and Income Tax Matters Mr. Epolite

- Decisions
 1. Suzanne E. Afflalo, 856407
 2. Allen Road JK Investment, LLC, 867230
 3. Michael Alvarez and Siobhan Alvarez, 863620
 4. Steven M. Brown and Carie E. Strahorn-Brown, 856355
 5. Robert B. Bryson and Elizabeth Mullarkey, 867260
 6. Butler Heritage, LLC, 865000
 7. Ronald Corbet, 852304
 8. Diane Daniels, 850281
 9. David Wittrock CPA, LLP, 868443
 10. Troy G. Farshi, 878275

11. Yogesh Goradia and Ranjan Y. Goradia, 791767
12. Jonathan D. Gordon, 854750
13. Jay K. Hahn, 859340
14. Jared H. Hoog and Lori A. Hoog, 819085
15. Lake Isabella Enterprises, II, a California Limited Partnership, 856792
16. Fariborz Lavaei and Ayelet Lavaei, 866434
17. Steven G. Philp and Lori Lynn Philp, 892917
18. Paula Plotkin, 842557
19. Preferred Manufacturing Services, Inc., 847179
20. Loren L. Ritter and Nancy L. Ritter, 809262
21. Rafat Rob and Tahany Qwareeq, 865625
22. John Sadolin, 919153
23. Scartphil, Inc., 869284
24. Amany Soliman, 864687
25. Thomas C. Street, 818692
26. Eric Walker and M. Lynn Walker, 796762
27. Alexey G. Zharikov and Darya A. Morozova, 819010
- Petitions for Rehearing
 - ~~28. Berc Agopoglu, 848646~~
 - ~~29. Robert H. Lowe and Sheryl L. Berkoff, 571973~~
 - ~~30. Michael McGuire, 709207~~

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

There are no items for this matter.

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. Phillip Hickernell
 - 1b. PRH Investments, Inc.
 - 2a. Jeremy M. Maul
 - 2b. ICooperative Patients' Association, Inc.

3. Jonathon L. McKellar
 4. Parties by Panache, Inc.
 5. Savas Wholesale, Inc.
- I3. Local Tax Reallocation Matters.....Ms. Nienow
- Section 40 (AB 2323) Matter
 1. [Cities of Ontario, Palm Springs, San Diego, Santa Barbara, and Counties of Sacramento and San Mateo, 525325, 525326 +](#)

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. [Adoption of Retirement Resolutions +](#)
 - Barbara Bolda
 - Elizabeth Buelna
 - Aaron Caldwell
 - Ronald W. Halliburton
 - Michael Z. Martinez
 - Amanda Narvaez-Albertolli
 - Mary Riggs
 - Alice Scott
 - Charlton R. Whitten
- N2. [Adoption of Board Resolution +](#)
 - Senator Sharon Runner
- N3. Approval of Board Meeting Minutes
 - [July 14, 2016 +](#)
- N4. [Proposed revisions to Audit Manual Chapters 2, Preparation of Field Audit Reports; 4, General Audit Procedures; and 6, Vehicle, Vessel and Aircraft Dealers; and Compliance Policy and Procedures Manual Chapters 8, Consumer Use Tax and 9, Miscellaneous +](#)
- N5. [Proposed revisions to ~~Audit Manual Chapter 4, General Audit Procedures;~~ and Compliance Policy and Procedures Manual Chapters 1, General, 2, Registration, 4, Security, 5, Returns, and 7, Collections +](#)

O. Adoption of Board Committee Report and Approval of Committee Actions

O1. Business Taxes Committee

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

P6. Administration Deputy Director’s Report.....Ms. Murphy

1. Contract Over \$1 Million – CROS Project

2. 2017-18 Budget Change Proposals

Proposals will be presented for Board direction and approval for inclusion in the Governor’s Fiscal Year 2017-18 Budget.

a. Special Tax and Fee Programs +

b. Augmentation for Accounting Workload Increase +

c. 2017-18 Budget and Vacancy Master Plan (Concept Paper) +

There are no items for the following matters:

P7. Technology Deputy Director’s Report

P8. 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 31, 2016, at 9:00 a.m.

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Joann Richmond, Chief
Board Proceedings Division

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

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C1. [Solvay USA, Inc., 812187 \(OH\) +](#)

For Petitioner: Susan Bittick, Attorney
Brian Browdy, Attorney
For Department: Scott Claremon, Tax Counsel

C2. [Nagib Abdulsaeed Shariff, 715384 \(CH\) +](#)

For Petitioner: Hassen Mohsen, Representative
For Department: Scott Lambert, Hearing Representative

C3. [Jacek Pasternak, 493152 \(CH\) +](#)

For Petitioner: Jacek Pasternak, Taxpayer
For Department: Scott Claremon, Tax Counsel

C4. [Solarcity Corporation, 668911 \(BH\) +](#)


For Claimant: Jeffrey M. Vesely, Attorney
Richard E. Nielsen, Attorney
For Department: Monica Silva, Tax Counsel

- C5. [Rodolfo Dagoberto Carranza, 623951 \(BH\) +](#)
For Petitioner: Rodolfo D. Carranza, Taxpayer
Linda Carranza, Witness
For Department: Scott Lambert, Hearing Representative
- ~~C6. [Easy Fuel, Inc., 716685 \(GH\) +](#)
For Petitioner: [Vincent Bertolacci, Taxpayer](#)
For Department: [Erin Dendorfer, Tax Counsel](#)~~

Adjourn

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