



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**  
**5901 Green Valley Circle, Room 207, Culver City**  
**November 29-30, 2016**  
**NOTICE AND AGENDA**  
**Meeting Agenda (as of 11/30/2016, 9:30 AM)**

[Agenda Changes](#)

[Webcast on Tuesday, November 29, 2016](#)

**Tuesday, November 29, 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.

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. Cesar Z. Lugo, 790947 +  
For Appellant: Cesar Z. Lugo, Taxpayer  
For Franchise Tax Board: Andy Amara, Tax Counsel  
Marguerite Mosnier, Tax Counsel~~

**B2. Ahmad Ghaderi and Susan L. Ghaderi, 773301 +**  
For Appellants: Ahmad Ghaderi, Taxpayer  
Jere E. McDonald, Representative  
For Franchise Tax Board: Susanne Coakley, Tax Counsel  
Adam Susz, Tax Counsel

~~B3. Ruby P. Baylin, 905708 +  
For Appellant: Gelu Cismas, Representative  
For Franchise Tax Board: Brian Werking, Tax Counsel  
Marguerite Mosnier, Tax Counsel~~

**B4. James K. Brewster, 918129 +**  
 For Appellant: Katherine Castro, Representative  
 For Franchise Tax Board: Brad Coutinho, Tax Counsel  
 Cynthia Kent, Tax Counsel

**B5. Alan R. Brayton, 852168 +**  
 For Appellant: Alan R. Brayton, Taxpayer  
 Richard Carpenter, Attorney  
 For Franchise Tax Board: Eric Yadao, Tax Counsel  
 Cynthia Kent, Tax Counsel

**B6. John R. Wrage and Kristina Wrage, 864549 +**  
 For Appellants: John R. Wrage, Taxpayer  
 L. Larry Clumeck, Representative  
 For Franchise Tax Board: Todd Watkins, Tax Counsel  
 Michael Cornez, Tax Counsel

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

These items are scheduled for later in the day and Wednesday, November 30, 2016.

**D. Petitions for Release of Seized Property**

This item is scheduled for Wednesday, November 30, 2016.

There are no items for the following matters:

- 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
    1. Tellabs San Jose, Inc., 207816, 228236, 362015 (GH)
    2. The College Network, Inc., 561674 (OH)
    - 3a. Mikial Singh Nijjar, 486239 (CH)
    - 3b. Mastermind Group, Inc., 486237 (CH)
    4. Ijaz Corporation, 773295 (STF)

- G2. Franchise and Income Tax Matters ..... Mr. Epolite
- Hearing Notice Sent – No Response
    1. Michael A. Giurbino and Suzanne E. Giurbino, 861813
  - Decisions
    2. 1217 21<sup>st</sup> Street, LLC, 817233
    3. Prudencio Ancheta and Shirley Ancheta, 822206
    4. Frank S. Dopp and Lani Warren, 864565
    5. Alexander Edler, 871636
    6. Jay K. Ghiya, 879983
    7. Jannik Hansen, 872888
    8. Jona G. Lobaton, 823693
    9. Michael Maguire, 881666
    10. Travis D. Medley, III and Michelle L. Medley, 858556
    11. Thomas E. Norris and Norma B. Norris, 779206
    12. John Pagkalinawan and June Frances Capalla, 856286
    - 13a. Pejman Salimpour, 876698
    - 13b. Rafatollah Salimpour and Farah Salimpour, 876713
    14. Stephen Shultz and Andrea Shultz, 937565
    15. Toby A. Smith, 874094
    16. Elouise Tait, 909735
    17. Cheward P. Teodosio and Marlyn L. Teodosio, 879963
    18. Juliana Tyler and David Tyler, 932121
    19. John Yardley, 866226
    20. Zepha Group, LLP, 791796, 848510

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..... Mr. Kinnee
- Petitions for Penalty Abatement on Unitary Value
    1. Central California Traction Company (818), 961003 ‘CF’
  - Petitions for Reassessment and Penalty Abatement on Unitary Value
    2. Digital Transportation Corporation (8184), 956385 ‘CF’

## H. Tax Program Nonappearance Matters – Adjudicatory

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

- H1. Legal Appeals Matters ..... Mr. Angeja
- Section 40 (AB 2323) Matter
    1. [Sahak Jeiranian, 841617 \(STF\) +](#)

- H2. Franchise and Income Tax Matters ..... Mr. Epolite  
 ➤ Petition for Rehearing  
 1. Christene Brown, 797860

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  
 1. Abdel A. Alghazali  
 2a. William Gregory Carter  
 2b. Sebastopol Ford, Inc.  
 3. Jeanette Denis-Perez  
 4. Flash Transport, Inc.  
 5. Alberto C. Guerra, Jr.  
 6. MBT Enterprises, Inc.  
 7a. Sanjeewa Ratnaweera  
 7b. Astro Express, Inc.  
 8. Scarlet Tea Room, Inc.  
 9. Charlene Thayer  
 10. Tranquility Health Collective, LLC  
 11a. Ruben Dario Ulloa  
 11b. Pan De Vida, Inc.  
 12. David Reza Zarrin
- 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 +

- Alfonso C. Barretto
- Carla Caruso
- Wayne J. Grupe
- Patrick Mayers
- Michaelleen R. Orelup
- Patricia Thomas
- James S. Wrenn

#### N2. Approval of Board Meeting Minutes

- [October 11, 2016 +](#)
- [October 25, 2016 +](#)

#### N3. Proposed revisions to Compliance Policy and Procedures Manual Chapter 7, *Collections* +

#### N4. Approval of Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors* +

Request approval for publication of the 2017 revision of Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors*.

#### N5. Adoption of Property Tax Form +

- BOE-261-G, *2017 Claim for Disabled Veterans' Property Tax Exemption*

Revised to accommodate new terminology for servicemembers to qualify for the Disabled Veterans' Property Tax Exemption. Revisions mandated by provisions in Senate Bill 1458, Stats. 2016, ch. 871.

### 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 ..... Ms. Buehler

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. Field Operations Department Report

P5. Property Tax Deputy Director's Report

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

1. 2017/18 Budget Change Proposals

The following Budget Change Proposals will be presented for Board approval to submit to the Department of Finance for possible inclusion in the Governor's Fiscal Year 2017/18 Budget.

a. [2017/18 Proposition 56, The California Healthcare, Research, and Prevention Tobacco Tax Act of 2016 +](#)

b. [2017/18 Proposition 64, Control, Regulate, and Tax Adult Use of Marijuana Act +](#)

2. Vacancy Update

An update will be provided on BOE vacancies and the status of vacancy plan development approved by the Board in August 2016.

P7. Technology Deputy Director's Report .....Mr. Capulong

1. CROS Project Update and Actions ..... Mr. Caietti / Ms. Gonzalez

Progress on the CROS project to replace BOE's two current legacy-technology 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\***

**B. Corporate Franchise and Personal Income Tax Appeals Hearing**

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

~~B7. Thomas A. Hrubik and Mary L. Hrubik, 935055 +  
For Appellants: Thomas A. Hrubik, Taxpayer  
Paul Shimoff, Attorney  
For Franchise Tax Board: Brandon Knoll, Tax Counsel  
Michael Cornez, Tax Counsel~~

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

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

~~C1. Suri Investments, Inc., 689145 (AA) +  
For Petitioner: Parminder Singh, Taxpayer  
Roy McGarrell, Representative  
For Department: Scott Lambert, Hearing Representative~~

**C2. Jessica Chase, 760013 (AS) +**  
For Taxpayer: Waived Appearance  
For Department: Scott Lambert, Hearing Representative

~~C3. 2S Pizza, Inc., 740225 (EA) +  
For Petitioner: Manuel Almeida, Representative  
Marc Brandeis, Representative  
For Department: Scott Lambert, Hearing Representative~~

**C4a. RM Custom Wood Finishing, Inc., 586214 (EA) +**

**C4b. Ramon Murguia, 586215 (EA) +**


For Claimants: Waived Appearance  
For Department: Kevin Smith, Tax Counsel

C5. ~~Isaac Pete Gharibeh, 469663 (AS) +~~  
For Petitioner: ~~George Issa, Representative~~  
For Department: ~~Scott Lambert, Hearing Representative~~

**Recess** - The meeting will reconvene on Wednesday, November 30, 2016, at 9:00 a.m.

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.

If you wish to receive this Notice and Agenda electronically, you can subscribe at [www.boe.ca.gov/agenda](http://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](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.
- ++ 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

DAVID J. GAU
Executive Director

STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
November 29-30, 2016
NOTICE AND AGENDA
Meeting Agenda (as of 11/30/2016, 9:30 AM)

Agenda Changes

Webcast on Wednesday, November 30, 2016

Wednesday, November 30, 2016

9:00 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. 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.

C. Sales and Use Tax Appeals Hearings

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

C6. ~~Treasure Box, Inc., 562424 (AA) +
For Petitioner: Osama Mousa, Taxpayer
Carmen Mousa, Taxpayer
Patrick McGinnis, Attorney
For Department: Scott Lambert, Hearing Representative~~

C7. Paedick Gharapanianse, 568598 (AC) +
For Petitioner: Paedick Gharapanianse, Taxpayer
For Department: Scott Lambert, Hearing Representative

C8. ~~Pacific Tire Motorsports, 553564, 579010 (AS) +
For Petitioner/Taxpayer: Armando Tiscareno, Taxpayer
Raul Carrega, Representative
For Department: Nonita DeLa Cruz, Hearing Representative~~

C9. Hector Cruz Costibolo, 793771 (AR) +
For Petitioner: Hector Costibolo, Taxpayer
For Department: Monica Silva, Tax Counsel

**C10. Ruben Diaz Garcia, 520275 (UT) +**

For Petitioner: Ruben Garcia, Taxpayer  
Joseph Mudd, Attorney  
For Department: Kevin Smith, Tax Counsel

**C11. Shaw Dadban, 811132 (FH) +**

For Petitioner: Ahren Tiller, Attorney  
For Department: Scott Lambert, Hearing Representative

~~**C12. Lewis K. Eisaguirre, 741340 (UT) +**~~~~For Petitioner: Lewis K. Eisaguirre, Taxpayer  
For Department: Erin Dendorfer, Tax Counsel~~~~**C13. Kaisuen Kong, 516021, 553424 (EA) +**~~~~For Taxpayer: John O. Kent, Attorney  
For Department: Erin Dendorfer, Tax Counsel~~**D. Petitions for Release of Seized Property**

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


**D1. Midwest Enterpris, Inc., 974926 (STF) +**

For Petitioner: Victor Sherman, Attorney  
For Department: Pamela Mash, Tax Counsel

**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.

If you wish to receive this Notice and Agenda electronically, you can subscribe at [www.boe.ca.gov/agenda](http://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](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.
- ++ 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.