



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
December 14-15, 2016
NOTICE AND AGENDA
Meeting Agenda (as of 12/14/2016 8:00 PM)

[Agenda Changes](#)

[Webcast on Wednesday, December 14, 2016](#)

Wednesday, December 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 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 Meetings**

These items are scheduled for later in the 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. David Chan and Suzanne Nagy-Chan, 605761 +
For Appellants: Suzanne Nagy-Chan, Taxpayer
For Franchise Tax Board: Ciro Immordino, Tax Counsel
Roman Johnston, Tax Counsel~~

~~B2. Arthur Gutierrez, 924854 +
For Appellant: Arthur Gutierrez, Taxpayer
For Franchise Tax Board: Samantha Nguyen, Tax Counsel
Natasha Page, Tax Counsel~~

B3. Benny A. Delay and Deborah S. Delay, 866599, 866600 +
 For Appellants: Benny A. Delay, Taxpayer
 Deborah S. Delay, Taxpayer
 Russell Sternshein, Representative
 For Franchise Tax Board: Judy Hirano, Tax Counsel
 Roman Johnston, Tax Counsel

~~B4. East West Resorts, LLC, 916589 +~~
~~For Appellant: Edwin P. Antolin, Attorney~~
~~For Franchise Tax Board: Brad Coutinho, Tax Counsel~~
~~Marguerite Mosnier, Tax Counsel~~

B. Taxpayers' Bill of Rights Reimbursement Claim Hearing
 (Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

B5. Todd Bentley and Kate Bentley, 939951 +
 For Claimants: Todd Bentley, Taxpayer
 For Franchise Tax Board: Natasha Page, Tax Counsel
 Marguerite Mosnier, Tax Counsel

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

C1. Marc Anthony Solis, 800735 (KH) +
 For Petitioner: Marc Anthony Solis, Taxpayer
 For Department: Monica Silva, Tax Counsel

C2. Treasure Bay, Inc., 708575 (JH) +
 For Petitioner: Don Panec, Taxpayer
 John Hayashi, Representative
 For Department: Andrew Kwee, Tax Counsel

~~C3. Allied Storage Containers, Inc., 594866 (EH) +~~
~~For Petitioner: Tamara Shirley, Taxpayer~~
~~John Oakes, Attorney~~
~~For Department: Monica Silva, Tax Counsel~~

~~C4. Yogurt Time, LLC, 625348 (JH) +~~
~~For Petitioner: Hassan Kazemini, Taxpayer~~
~~Reza Kazemini, Witness~~
~~Amin Kazemini, Attorney~~
~~For Department: Kevin Smith, Tax Counsel~~

- ~~C5. Stars Holding Co., LLC, 855845 (CH) +
For Claimant: Azad Amiri, Representative
Richard Stoll, Attorney
For Department: Pamela Mash, Tax Counsel~~
- ~~C6. Dennis Arthur Wallace, 869253, 869254 (CH) +
For Petitioner/Taxpayer: Dennis Wallace, Taxpayer
Paul Delle Gese, Representative
For Department: Nenita De La Cruz, Hearing Representative~~
- C7. John F. Steele and Gayle Jeanine Steele, 654906 (UT) +
For Claimants: John F. Steele, Taxpayer
Robert Bowman, Attorney
For Department: Kevin Smith, Tax Counsel
- C8. GEO G2 Solutions, Inc., 864467 (UT) +
For Claimant: Kevin E. Spry, Representative
For Department: Pamela Mash, Tax Counsel
- ~~C9. Scott John Van Horn, 612086 (DF) +
For Petitioner: Scott John Van Horn, Taxpayer
Linda Gonzales, Representative
Doug Thorton, Attorney
For Department: Scott Claremon, Tax Counsel~~
- ~~C10. Saravana Bhavan, Inc., 625256 (BH) +
For Petitioner: Feroza Hamsath, Taxpayer
Jack Iyer, Representative
For Department: Nenita De La Cruz, Hearing Representative~~
- ~~C11. Fred Doyle Harden, 838952 (CH) +
For Petitioner: Fred Doyle Harden, Taxpayer
For Department: Andrew Kwee, Tax Counsel~~

D. Special Taxes Appeals Hearing
There are no items for this matter.

E. Property Tax Appeals Hearing

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

Petition for Reassessment of Unitary Value

- E1. La Paloma Generating Company, LLC (1112), 961716 'CF' +
For Petitioner: Antreas E. Ghazarossian, Representative
C. Stephen Davis, Attorney
For Department: Sonya Yim, Tax Counsel

Board Committee Meetings**

Legislative Committee Ms. Ma, Committee Chairwoman

I. 2017 Legislative Proposals

Set forth below are suggestions for legislation to be sponsored by the BOE in the first year of the 2017-18 Legislative Session.

2017 Legislative Proposal: Property Taxes

- 1-1 Repeal Revenue and Taxation Code (RTC) section 53.5 to delete the administratively impractical requirement to consider leach pads, tailing facilities, and settling ponds as separate appraisal units since no independent market value exists. (Housekeeping)

2017 Legislative Proposals: Business Taxes

- 2-1 Amend RTC section 7093.6 of the Sales and Use Tax Law and comparable statutes in BOE special tax and fee programs to make permanent the BOE's ability to compromise final tax liabilities of (1) businesses that are not discontinued or transferred, if the final tax liability arises from transactions in which the taxpayer did not receive sales or use tax reimbursement, (2) persons liable as successors, and (3) consumers who incurred a use tax liability. These provisions are set to expire January 1, 2018.
- 2-2 Add RTC section 6018.11 to the Sales and Use Tax Law to provide that establishments that perform garment alterations are consumers, rather than retailers, of tangible personal property used or furnished by these establishments in the alteration of new and used clothing.

Property Tax CommitteeMr. Horton, Committee Chairman

- 1. Property Tax Rule 51, *Agreements Qualifying Land for Assessment as Open-Space Lands*

Discussion and authorization to initiate the rulemaking process for Property Tax Rule 51, *Agreements Qualifying Land for Assessment as Open-Space Lands*
- ~~2. Aircraft Representative Period~~

~~Pursuant to Revenue and Taxation Code section 1153, adoption of the representative period for the 2017 tax year for the assessment of aircraft operated by certificated air carriers.~~

Board Meeting Reconvenes Upon Adjournment of Committees*

F. Public Hearings

F1. 2017 Timber Yield Tax Rate + Mr. Durham

Section 38202 of the Revenue and Taxation Code requires an annual adjustment of the timber yield tax rate.

F2. Timber Harvest Values and Modified Harvest Values + Mr. Reisinger

On or before December 31, 2016, the Board shall estimate the immediate harvest values of and adopt schedules for timber harvested between January 1, 2017, and June 30, 2017. Additionally, the Board may modify immediate harvest values to reflect material changes in timber values that result from fire or other catastrophic cause for any area or part thereof in which damaged timber is located. (Rev. & Tax. Code, § 38204.)

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. Affordable Auto Wholesales, 602429, 603400, 736547 (EA)
 2. Brugge Investments, LLC, 856395 (FH)
 3. ~~Roger W. Bryenton, Clara Angelica Vizcarra Brozovic De Degiovanni, and Diego Gerardo Degiovanni, 742787 (RC)~~
 4. Gonzalo V. Espinoza and Maria D. Espinoza, 849543 (FH)
 5. GK's Orange Hill Market, LLC, 732503 (EA)
 6. Mussari Motors, Inc., 613618 (FH)
 7. Christine Barret West, 571999 (GH)
- Petition for Release of Seized Property
 8. Alice C. Gee, 978545 (STF)

G2. Franchise and Income Tax Matters Mr. Epolite

- Hearing Notice Sent – No Response
 1. Jeffrey J. Ginsburg and Melissa J. Ginsburg, 937501
- Decisions
 2. Fairfield Park Apartments, a California Limited Partnership, 873179
 3. Flying High Pet Resort, LLC, 860949
 4. James L. Johnston and Joanne F. Johnston, 855450
 5. Nick Rasekhi, 856715
 6. Yanqun Zhang and Ke Chen, 864550

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

There are no items for this matter.

H2. Franchise and Income Tax Matters Mr. Epolite

➤ Decisions

1. James Strizich, 852251

➤ Petitions for Rehearing

2. Jeffrey W. Campbell and Linda K. Campbell, 839257

3. ~~Amanda Gari (Abel) and Albert P. Abel, Jr., 795390~~

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 Mr. Kinnee

➤ Petitions for Reassessment of Private Car Tax

1. Union Tank Car Company (620), 974566 'CF'

2. Procor Limited (5916), 974552 'CF'

H9. Cigarette License Fee Matters

There are no items for this matter.

H10. Legal Appeals Property Tax Matters..... Mr. Ambrose

➤ Petitions for Reassessment of Unitary Value

1. AltaGas San Joaquin Energy, Inc. - Tracy (1124), 961994 'CF'

2. CVIN, LLC (8151), 962011 'CF'

3. Verizon California, Inc. (201), 962203 'CF'

4. Liberty Utilities (Calpeco Electric), LLC (163), 960268 'CF'

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. Elaine Anita Binner
- 1b. Fishpaw, Inc.
2. Classic La Serre, LLC
3. E.M. Fransis Enterprises, Inc.
4. Andrea Nunziato Femino
5. La Puente Post No. 75, The American Legion, Dept. of CA
- 6a. Rory Eugene Linton
- 6b. Theresa Elizabeth Linton
7. Mi Kyung Park
- 8a. Eugene D. Perez
- 8b. Rebecca L. Perez
- 9a. Lawrence Gordon Sunderlin
- 9b. Gladys Gismania Sunderlin
- 9c. So-Cal Roofing Supply, Inc.
10. Nghia T. Vu

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 +

- Michael G. Ambrose
- Linda E. Christensen
- Dennis Lammerding
- Luis M. Ramirez, Jr.
- Richard Snyder

N2. Approval of Assessors' Handbook Section 531, Residential Building Costs +

Request approval for publication of the 2017 revision of Assessors' Handbook Section 531, *Residential Building Costs*.

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

- O1. Legislative Committee
- O2. Property Tax Committee

P. Other Administrative Matters

P1. Executive Director's Report Mr. Gau

1. 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.

2. VITA Program +

Discussion of the Board's participation in the Voluntary Income Tax Assistance Program (VITA), and whether the Board should adopt a formal policy to govern its participation in VITA.

There are no items for the following matters:

- P2. Chief Counsel Report
- P3. Business Tax and Fee Deputy Director's Report

P4. Field Operations Department Report Mr. Mashihara

~~1. Physical Office Space +~~

~~Discussion of current policies applicable to BOE facilities leases, and whether the Board should adopt a formal policy and strategic plan related to physical office space.~~

2. Cash Payment Acceptance Alternatives +

Update and discussion of possible alternatives for accepting cash payments from taxpayers.

There are no items for the following matters:

- P5. Property Tax Deputy Director's Report
- P6. Administration Deputy Director's Report

- P7. Technology Deputy Director’s Report Mr. Capulong
 - 1. CROS Project Update and Actions Mr. Caietti
 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 action on personnel matters (Gov. Code, § 11126(a)).

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

Recess - The meeting will reconvene on Thursday, December 15, 2016, at 9:00 a.m.

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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.

** 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.

- + 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.



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Thursday, December 15, 2016


9:00 a.m. Board Meeting Reconvenes*

Items agendized for a previous day of this meeting, but not concluded, may be taken up today. No items are scheduled for this day at this time.

Adjourn

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CANCELLED