



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**  
**January 24-26, 2017**  
**NOTICE AND AGENDA**  
**Meeting Agenda (as of 1/24/2017, 5:00 PM)**

[Agenda Changes](#)

[Webcast on Tuesday, January 24, 2017](#)

**Tuesday, January 24, 2017**

**1:30 p.m. Pledge of Allegiance**

**Board 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 or to an earlier session on the same day.

**Board Committee Meetings\*\***

These matters are scheduled for Wednesday, January 25, 2017

**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. Brenda A. Valencia Ruezga, 892153, 936054 +  
For Appellant: Ellen Swain, Representative  
For Franchise Tax Board: Samantha Nguyen, Tax Counsel  
Natasha Page, Tax Counsel~~

**B2. [Gino Maa and Marian Chou, 937050 +](#)**  
For Appellants: Gino Maa, Taxpayer  
For Franchise Tax Board: Andy Amara, Tax Counsel  
Marguerite Mosnier, Tax Counsel

- B3. Ameristar Casinos, Inc. & Subs., 605227, 841016 +**  
 For Appellant: Scot Grierson, Representative  
 Tom Bertino, Representative  
 For Franchise Tax Board: Jenna Lewis, Tax Counsel  
 Shane Hofeling, Tax Counsel

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

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

- ~~C1. Adan Magana, 634697 (DF) +~~  
~~For Petitioner: Adan Magana, Taxpayer~~  
~~For Department: Andrew Kwee, Tax Counsel~~
- ~~C2. Braulio C. Godinez Lucachin, 728209 (GH) +~~  
~~For Petitioner: Braulio C. Godinez Lucachin, Taxpayer~~  
~~For Department: Scott Lambert, Hearing Representative~~
- C3. Prok Electric Company, 807759, 824668, 850189 (UT) +**  
 For Taxpayer/Claimant: Elijah Prok, Taxpayer  
 Elena Prok, Witness  
 For Department: Pamela Mash, Tax Counsel
- C4. Public Motors Orange County, LLC, 569627 (EA) +**  
 For Petitioner: Waived Appearance  
 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 Hearings

The following matters are scheduled for Wednesday, January 25, 2017:

- G. Tax Program Nonappearance Matters – Consent**
- H. Tax Program Nonappearance Matters – Adjudicatory**
- I. Tax Program Nonappearance Matters**

**Chief Counsel Matters**

**J. Rulemaking**

These items are scheduled for Wednesday, January 25, 2017

There are no items for the following matters:

- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

**Administrative Session**

The following matters are scheduled for Wednesday, January 25, 2017:

- N. Consent Agenda**
- O. Adoption of Board Committee Reports and Approval of Committee Actions**
- P. Other Administrative Matters**


**Q. Closed Session**

These items are scheduled for Wednesday, January 25, 2017

**Recess** - The meeting will reconvene on Wednesday, January 25, 2017, 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.
- \*\* 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.
- '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
450 N Street, Room 121, Sacramento
January 24-26, 2017
NOTICE AND AGENDA
Meeting Agenda (as of 1/24/2017, 5:00 PM)

Agenda Changes

Webcast on Wednesday, January 25, 2017
Wednesday, January 25, 2017

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.

Board Meeting\*

C. Sales and Use Tax Appeals Hearings

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

C5. Body Wise International, LLC, 552589 (EA) +

For Petitioner: Jesse McClellan, Attorney
Lucian Khan, Attorney
For Department: Scott Claremon, Tax Counsel

~~C6. Max Rogers, 639424 (KH) +~~

~~For Taxpayer: Max B. Rogers, Taxpayer
For Department: Scott Lambert, Hearing Representative~~

C7a. Green Apple, Inc., 669807 (BH) +

C7b. The Cravery Northern CA, Inc., 669808 (BH) +

For Petitioners: Janice Wong, Taxpayer
For Department: Scott Lambert, Hearing Representative

~~C8. Premier Events, Inc., 566436 (GH) +~~

~~For Petitioner: Greydon Morley, Taxpayer
Amy L. Silverstein, Attorney
For Department: Monica Silva, 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**

- 1-2 Amend Revenue and Taxation Code (RTC) Section 62 to exclude from change in ownership a family farm homestead that has been the continuous home of a child but that is ineligible for the parent-child exclusion after the parent’s death due to the complex structure of California property tax law. (Ma)

**2017 Legislative Proposal: Business Taxes**

- 2-3 Add Revenue and Taxation Code section 6460 to the Sales and Use Tax Law to allow retailers to report sales tax liability on a cash basis. (Ma)

Customer Service and Administrative

Efficiency Committee ..... Mr. Runner, Committee Chairman

- 1. 2017 Annual Education & Outreach Plan  
Presentation of the Annual Board of Equalization Education and Outreach Plan for 2017.

Property Tax Committee ..... Mr. Horton, Committee Chairman

- 1. 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 the Board Committee Meetings\***

**Chief Counsel Matters**

Items that appear under these matters provide information to the Members and may require Board action or direction.

**J. Rulemaking**

J1. ~~Petition to adopt Property Tax Rule 475, *Certificated Aircraft* + ....~~ Mr. Heller

~~Petition to adopt proposed Rule 475 specifying a valuation methodology for certificated aircraft mirroring expired Revenue and Taxation Code section 401.17.~~

**Section 100 Changes**

J2. *Regulations 1532, Teleproduction or Other Postproduction Service Equipment, Regulation 1533.1, Farm Equipment and Machinery, Regulation 1533.2, Diesel Fuel Used in Farming Activities or Food Processing, Regulation 1534, Timber Harvesting Equipment and Machinery, Regulation 1535, Racehorse Breeding Stock, and Regulation 1598, Motor Vehicle and Aircraft Fuels + .....* Mr. Heller

Staff requests authorization to make Rule 100 changes to amend the specified regulations to make them consistent with the expiration of the one-quarter percent tax imposed by section 36 of Article XIII of the California Constitution.

**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. Ledang, LLC, 775670 (GH)
  2. Yadollah Misaghian, 786912 (DF)
  - 3a. Mogo BBQ, Inc., 740760 (GH)
  - 3b. Samuel Chi Hwan Pak, 740769 (GH)
  4. Mansoor Rahmani, 811134 (CH)
  5. Martel Toler, 857844 (BH)
  6. ~~Public Motors Los Angeles, LLC, 564308 (EA)~~
- Hearing Notice Sent – Waived Appearance
  7. Kashmir Tax & Business Services, 523182 (KH)

- G2. Franchise and Income Tax Matters ..... Mr. Epolite
- Hearing Notice Sent – No Response
    1. Dinesh Sawhney and Rashmi Sawhney, 878210
  - Hearing Notice Sent – Appearance Waived
    2. Robert S. Rosenthal, 919584
  - Decisions
    3. 108 North First, LLC, 922435
    4. Anchorage Venture Fund V, LLP, 924193
    5. Thomas H. Bugbee and Dora Z. Bugbee, 912933
    6. Mark Burke, 922297
    7. Pamela Chyba, 850273
    8. Kenneth M. Dow and Melissa J. Dow, 924023
    9. John A. Erickson, 920395
    10. Sandra W. Manzano, 915472
    11. Michael A. Mills, 879379
    12. William Nemecek and Sandra Nemecek, 924058
    13. James C. Seley and Carlene R. Seley, 920222

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
- Petitions for Rehearing
    1. Alan Levitz, 718640 (KH)
- H2. Franchise and Income Tax Matters ..... Mr. Epolite
- Petitions for Rehearing
    1. Allen Road JK Investment, LLC, 867230
  - Cases Heard Not Decided
    2. Ilona Foyer, 569037
  - Section 40 (AB 2323) Matter
    3. Robert H. Lowe and Sheryl L. Berkoff, 571973 +

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..... Mr. Kinnee
  - Audit
    - 1. Greatcall, Inc. (2784) 'CF'
    - 2. Locus Telecommunications, Inc. (8017) 'CF'
    - 3. Advanced Technology Distributors, Inc. (8153) 'CF'
- I2. Offer in Compromise Recommendations ..... Mr. Anderson
  - 1a. Sana Diaz
  - 1b. Darwin E. Diaz
  - 2. Maria Gonzalez
  - 3. Imperial Palace AJ, Inc.
  - 4a. Frederick R. Marken
  - 4b. Grilla Bites, Inc.
  - 5. Zahra Tavakol
- I3. Local Tax Reallocation Matters  
There are no items for this matter.

#### **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 +**

- Julie Bruss
- Erin M. Little
- Maria R. Malinao
- Janet L. Morgan
- Audrey A. Torres



- N2. Approval of Board Meeting Minutes
- November 29-30, 2016 +
  - December 14, 2016 +
- N3. Proposed revisions to Audit Manual chapters: 1, 4, 8, 9, 12 and 14, and Compliance Policy and Procedures Manual chapters 2, 3, 5, 6, 7 and 8 +

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

- O1. Legislative Committee – 12/14/16  
 O2. Legislative Committee – 1/25/17  
 O3. Customer Service and Administrative Efficiency Committee – 1/25/17  
 O4. Property Tax Committee – 12/14/16  
 O5. Property Tax Committee – 1/25/17

**P. Other Administrative Matters**

- P1. Executive Director's Report ..... Mr. Gau

1. Employee Recognition Award Program Nominees  
 Approval of nominees for the BOE Employee Recognition Award Program.

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  
 P5. Property Tax Deputy Director's Report  
 P6. Administration Deputy Director's Report ..... Ms. Murphy
1. 2017-18 Governor's Budget  
 An update will be provided on the January 10 Governor's Budget and the status of BOE budget change proposals.
- 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 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 Thursday, January 26, 2017, at 11:00 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.
- \*\* 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.
- ‘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**  
**450 N Street, Room 121, Sacramento**  
**January 24-26, 2017**  
**NOTICE AND AGENDA**  
**Meeting Agenda (as of 1/24/2017, 5:00 PM)**

[Agenda Changes](#)

[Webcast on Thursday, January 26, 2017](#)

**Thursday, January 26, 2017**

**11:00 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.

**Annual Board Meeting with County Assessors**

1. Greetings and Introductory Remarks by each Board Member
2. Assessors Address Conferees—Updates and Emerging Issues

Honorable Richard N. Benson, President,  
California Assessors' Association

Honorable Ernest J. Dronenburg, Jr., Chair, Legislative Committee,  
California Assessors' Association


Honorable Leslie Morgan, Chair, Education Committee, California  
Assessors' Association

Honorable Carmen Chu, Chair, Standards Committee, California  
Assessors' Association

**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.
- \*\* 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.
- 'CF' Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.