



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
March 28-29, 2017
NOTICE AND AGENDA
Meeting Agenda (as of 3/27/2017, 5:00 PM)

[Agenda Changes](#)

[Webcast on Tuesday, March 28, 2017](#)

Tuesday, March 28, 2017

9:00 a.m. Pledge of Allegiance

Board Meeting Convenes*

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Board Committee Meeting**

This matter is scheduled for later in the day.

Board Meeting*

Organization of the Board

- Board Committee Chair Assignments

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. Rajwinder K. Sidhu, 951345 +
 For Appellant: Rajwinder K. Sidhu, Taxpayer
 Amit Pendyal, Representative
 For Franchise Tax Board: Eric Yadao, Tax Counsel
 Marguerite Mosnier, Tax Counsel

~~B4. Peter S. Magnusson, 971924 +~~
~~For Appellant: Peter S. Magnusson, Taxpayer~~
~~Ronald H. Cohen, Representative~~
~~For Franchise Tax Board: Mira Patel, Tax Counsel~~
~~Marguerite Mosnier, Tax Counsel~~

~~B5. Kenneth Tenaglia, 925494 +~~
~~For Appellant: Kenneth Tenaglia, Taxpayer~~
~~For Franchise Tax Board: Gi Nam, Tax Counsel~~
~~Natasha Page, Tax Counsel~~

~~B6. Donald O. Cowan, 935581 +~~
~~For Appellants: Donald O. Cowan, Taxpayer~~
~~For Franchise Tax Board: Brad Coutinho, Tax Counsel~~
~~Natasha Page, Tax Counsel~~

The following matters are scheduled for Wednesday, March 29, 2017.

C. Sales and Use Tax Appeals Hearings

D. Special Taxes Appeals Hearing

There are no items for the following matters:

- E. Property Tax Appeals Hearings
- F. Public Hearings

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

Legislative Committee Ms. Ma, Committee Chairwoman

I. 2017 Legislative Bills

Recommendations for Board Position

- AB 9 Sales and Use Tax: Exemption: Feminine Hygiene Products (C. Garcia)
- AB 288 Fire Prevention Fee: Due Dates (Oberholte)
- AB 327 Sales and Use Tax: Exemption: Pawnbrokers (Gipson)
- AB 433 Sales and Use Tax: Claim for Refund: Assignment (Bocanegra)
- ~~AB 948 Marijuana Tax: e-Filing Waiver (Bonta)~~
- AB 1566 Sales and Use Tax: Underpayment and Overpayment Offsets (Irwin)
- SB 13 Sales and Use Tax: Manufacturing Exemption (Gaines)
- SB 447 Property Tax: Multicounty Assessment Appeals Board (Nielsen)

Board Meeting Reconvenes***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. Boo Ku CC, Inc., 536349 (AS)
 2. Floyd Carter II, 868033 (RC)
 3. Caspian Sea Petroleum, Inc., 846283 (EA)
 4. Arturo Rojas Castaneda, 556722 (EH)
 5. Matthew Westley Clark and Karyn Michelle Clark, 770561 (AC)
 6. Famu Corporation, 593179 (AA)
 7. Mara I. Giroux, 760302 (GH)
 8. I.C.T. Enterprises, Inc., 633964 (SO)
 9. Lorraine Mary Jeanes, 621137 (UT)
 10. Joseph Harold Kolb, 777740 (AC)
 11. Nicholas Maalouli, 804733 (EA)
 12. Carlos Smith, 600405 (UT)
 13. David Scott Feeney, 835543 (FH)
 - 14a. Grace Fernandez, 727094 (AP)
 - 14b. Executive Luxury Auto Sales, Inc., 727095 (AP)
 15. Marco Tulio Jimenez, 575261, 881667 (AC)
- Hearing Notice Sent – Appearance Waived
 16. Charles J. Casazza, 838457 (GH)

G2. Franchise and Income Tax Matters Mr. Epolite

- Hearing Notice Sent – No Response
 1. Emma K. Gasparyan, 929713
 2. Carter Stephens, 940079
- Decisions
 3. Sharon P. Anthony, 925128
 4. Ronald Kelly and Claire Kelly, 875612
 5. Joseph A. Sowan and Fabiola Nita, 941549
 6. Russell W. Thiele, 854926

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 Mr. Kinnee

- Petition for Reassessment of Unitary Escape
 1. Southern California Edison, Co. (148), 957418 ‘CF’
 2. Liberty Utilities (Calpeco Electric), LLC (163), 960272 ‘CF’

There are no items for the following 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 – No Response
 1. Public Motors Los Angeles, LLC, 564308 (EA)
 - Hearing Notice Sent – Appearance Waived
 2. Eat This, Inc., 572082 (AS)
 - Petitions for Rehearing
 3. Nagib Abdulsaeed Shariff, 715384 (CH)
 4. Geo G2 Solutions, Inc., 864467 (UT)
- H2. Franchise and Income Tax Matters Mr. Epolite
- Decision
 1. Mark Mills-Thysen and Margret Mills-Thysen, 921948
 - Petitions for Rehearing
 2. Andre Jackson, 841166
 3. Louis V. Lucero and Barbara A. Lucero, 845797
 4. Leonard C. Rogers and Mary Ann Rogers, 863414
 5. Harris Toibb and Linda Toibb, 852223
 - Section 40 (AB 2323) Matter
 6. [Alan R. Brayton, 852168](#) +

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
- Audits
 1. The Ponderosa Telephone Company (205) 'CF'
 2. Dialink Corporation (2437) 'CF'
 3. KDDI America, Inc. (7766) 'CF'
 4. Wilshire Connection, LLC (7799) 'CF'
 5. Telstra Incorporated (7852) 'CF'
 6. Peak Communications, Inc. (7916) 'CF'
 7. Intelsat Global Service, LLC (7969) 'CF'
 8. Reliance Globalcom Services, Inc. (7972) 'CF'
 9. Vodafone US, Inc. (8005) 'CF'
 10. A+ Wireless, Inc. (8010) 'CF'
 11. CA-CLEC, LLC (8037) 'CF'
 12. Birch Communications, Inc. (8049) 'CF'
 13. Roadway Communications, Inc. (8091) 'CF'

14. CVIN, LLC (8151) 'CF'
 15. RCLEC, Inc. (8158) 'CF'
 16. NetFortris Acquisition Co., Inc. (8164) 'CF'
 - Board Roll Changes
 17. 2014, 2015, and 2016 Board Rolls of State-Assessed Property 'CF'
- I2. Offer in Compromise Recommendations Mr. Anderson
1. Aneli, Inc.
 2. Durman, Inc.
 3. Maria D. Juarez
 - 4a. Mdnuddin Bhandari Enterprises, Inc.
 - 4b. Abu M. Hossain
 5. P.J. Bonifacio Motor Cars, Inc.
 6. Martina Palomares
 7. Eric L. Paulson
 8. Robert Anthony Snow
 9. Weston Redhill Glass, Inc.
- I3. Local Tax Reallocation Matters
There are no items for this matter.

Chief Counsel Matters

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

J. Rulemaking

Section 100 Changes

- J1. [Property Tax Rule 263, Roll Corrections +](#) Mr. Heller
Staff requests authorization to complete Section 100 changes to Rule 263 to incorporate Revenue and Taxation Code section 4831.1's provisions extending the time for correcting assessments related to the disabled veterans' exemption.
- J2. [Property Tax Rule 1051, Extension of Time for Acts Required by Regulation +](#) Mr. Heller
Staff requests authorization to complete Section 100 changes to replace Rule 1051's reference to the Board's "secretary" with "Executive Director," clarify that Rule 1051 applies to extensions of the time fixed by a "rule," clarify Rule 1051's references to the Board and reference to "board of equalization," rename chapter 12 as "Racehorse Tax," and move Rule 1051 to new chapter 13, *Miscellaneous*.

- J3. [Rules for Tax Appeals Regulation 5332, Time of Filing of Application +](#)Mr. Heller

Staff requests authorization to complete Section 100 changes to make Regulation 5332 consistent with the amendment to Revenue and Taxation Code section 1840, which changed the deadline to file applications for review of assessments of taxable publicly-owned property.

There are no items for the following matters:

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

Administrative Session

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- N. **Consent Agenda** Ms. Richmond
(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

N1. [Retirement Resolutions +](#)

- David Barbeiro
- Theresa Bravo
- Precilla R. Calonge
- Hiram M. Fernandez

N2. [Approval of Board Meeting Minutes](#)

- [February 22-23, 2017 +](#)

N3. [Proposed revisions to Compliance Policy and Procedures Manual Chapters 6, Close-outs and Clearances, and 7, Collections +](#)

N4. [Report on Time Extension for San Luis Obispo County to complete and submit fiscal year 2017-18 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155 +](#)

N5. [Report on time extensions for Butte, Sutter, and Yuba Counties to accept as timely filed exemption claims due to the Lake Oroville Dam issue, pursuant to Revenue and Taxation Code section 155 +](#)

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

This matter is scheduled for Wednesday, March 29, 2017.

P. Other Administrative Matters

P1. Executive Director's Report Mr. Gau

1. [Annual State Employees Food Drive Results +](#)

Detailed results of the 2016 Annual State Employees Food Drive. BOE #1 once again.

2. Association of California State Employees with Disabilities (ACSED) and State Disability Advisory Committee (SDAC) Awards

The BOE Disability Advisory Committee (DAC) won a "DAC Achievement Award" for the second best DAC in the "2016 DAC Achievement of the Year" Awards Program. BOE was also recognized for our disability employment efforts and won an "ACES Award" for the large State Employer of the Year for persons with disabilities.

~~P2. Chief Counsel Report.....Ms. Kelly~~

~~1. Increase in Small Case Offer in Compromise Delegation +.....Mr. Anderson~~

~~Proposed increase in small case offer in compromise delegation of authority to the Executive Director and Chief Counsel to compromise a final tax liability.~~

There are no items for the following matters:

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. Contracts Over \$1 Million

a. [Department of Motor Vehicles contract for collection of sales, use and/or special taxes pertaining to vehicles and undocumented vessels. +](#)

b. [Department of Toxic Substances Control contract for collection of fees pertaining to hazardous waste. +](#)

c. [Cal-Recycle contract is to provide for the collection of the California Tire Fee. +](#)

d. [Quality Assurance and Independent Verification & Validation \(QA/IV&V\) Services contract for the CROS Project. +](#)

e. [Senior Level Programmers contract is to conduct data remediation for the CROS Project. +](#)

2. BOE Vacancy Master Plan..... Mr. Holtz
Quarterly update on BOE Vacancy Master Plan.
3. Facilities Mr. Holtz
Quarterly update on BOE leased space.
- P7. Technology Deputy Director's Report Mr. Capulong
 1. CROS Project Update and Actions
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. Pending Litigation: *Raichart v. Board of Equalization*, Sacramento County Superior Court Case No. 34-2014-00167903; *Arriola v. Board of Equalization*, Sacramento County Superior Court Case No. 34-2016-0188847 (Gov. Code, § 11126(e)).
- Q3. Discussion and action on personnel matters (Gov. Code, § 11126(a)).

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

Recess - The meeting will reconvene on Wednesday, March 29, 2017, 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.
- + 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.



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Board Meeting*

Administrative Matter

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O. Adoption of Board Committee Report and Approval of Committee Actions
O1. Legislative Committee

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

~~C1. Hardeep Singh, 709664 (DF) +~~
~~For Petitioner: Gary Kimzey, Representative~~
~~For Department: Scott Lambert, Hearing Representative~~

C2. Stars Holding Co., LLC, 855845 (CH) +
For Claimant: Azad Amiri, Representative
Richard A. Stoll, Representative
For Department: Pamela Mash, Tax Counsel

- C3. [Douglas B. Davidian, 611177, 611178 \(FH\) +](#)
For Petitioner: Doug Davidian, Taxpayer
For Department: Andrew Kwee, Tax Counsel
- C4. [Stephen F. Casey, 661884 \(UT\) +](#)
For Petitioner: Stephen Casey, Taxpayer
For Department: Kevin Smith, Tax Counsel
- ~~C5. [Gems Unlimited, Inc., 727090 \(BH\) +](#)
For Petitioner: ~~Garen Ekmekjian, Taxpayer~~
For Department: ~~Scott Lambert, Hearing Representative~~~~
- ~~C6. [Nima J. Parvin, 837526, 838714, 935706 \(KH\) +](#)
For Petitioner/Claimant: ~~Nima Parvin, Taxpayer~~
~~Adel Parvin, Representative~~
For Department: ~~Nonita DeLaCruz, Hearing Representative~~~~

D. **Special Taxes Appeals Hearing**


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

- ~~D1. [Yahia Ibrahim Assad, Yahia A. Assad, Mahmoud I. Assad, 352128 \(STF\) +](#)
For Petitioners: ~~Yahia Assad, Taxpayer~~
For Department: ~~Pamela Mash, Tax Counsel~~
~~Damian Armitage, Hearing Representative~~~~

Adjourn

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