



STATE BOARD OF EQUALIZATION
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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
NOTICE AND AGENDA
Meeting Agenda (as of 6/20/2017, 12:00 PM)

[Agenda Changes](#)

[Webcast on Tuesday, June 20, 2017](#)

Tuesday, June 20, 2017

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 matters are scheduled for later in the day.

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. [Joseph West and Patricia A. West, 923264 +](#)

For Appellants: Joseph West, Taxpayer
For Franchise Tax Board: Brian Werking, Tax Counsel
Marguerite Mosnier, Tax Counsel

B2. [Charles Harper, 942651 +](#)

For Appellant: Charles Harper, Taxpayer
Roy E. Crawford, Attorney
Denis Retoske, Attorney
For Franchise Tax Board: Richard Tay, Tax Counsel
Ciro Immordino, Tax Counsel

B3. David Chan and Suzanne Nagy-Chan, 605761 +
 For Appellants: Suzanne Nagy, Taxpayer
 For Franchise Tax Board: Ciro Immordino, Tax Counsel
 Roman Johnston, 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

C. Sales and Use Tax Appeals Hearings

These matters are scheduled for later in the day.

There are no items for the following matters:

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

F. Public Hearing

F1. Timber Harvest Values +Mr. Harris

On or before June 30, 2017, the Board shall estimate the immediate harvest values of and adopt schedules for each species or sub-classification of timber harvested between July 1 and December 31, 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. Revenue and Taxation Code section 38204.

Board Committee Meetings**

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

- 1. Proposed amendments to Regulation 1616, *Federal Areas*
 Request approval and authorization to publish proposed amendments to clarify the application of tax to meals, food, and beverages sold for consumption on an Indian reservation.

Property Tax CommitteeMr. Horton, Committee Chairman

1. Property Tax Rules 370, *Random Selection of Counties for Representative Sampling*, and 370.5, *Random Selection of Counties for Survey or Representative Sampling for Calendar Years 2016 through 2020*

Discussion of proposed revisions to Property Tax Rule 370, *Random Selection of Counties for Representative Sampling*, and authorization to initiate the rulemaking process for Property Tax Rule 370.5, *Random Selection of Counties for Survey or Representative Sampling for Calendar Years 2016 through 2020*.

2. Proposed Adoption of Guidelines for the Assessment of Wind Energy Properties

Discussion and adoption of guidelines for the assessment of wind energy properties.

Board Meeting Reconvenes upon adjournment of the Committee Meetings*

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
 - 1a. Ardyssa California, Inc., 560909 (AA)
 - 1b. Ardyss International, Inc., 561575 (EH)
 - ~~2. LM Prop 923-931 Pacific Ave., LLC, 713421 (GH)~~
 3. Syed Tanveer Sadiq, 850969 (JH)
 4. Ralph Thompson, 564435, 746525 (EH)
 5. Wu’s International Trade, LLC, 745471 (BH)
 - 6a. Shiraz Petroleum Corporation, 465945 (CH)
 - 6b. Malek S. Naderpour, 465946 (CH)
- Hearing Notice Sent – Appearance Waived
 7. Zanos Pizza, LLC, 609803 (AR)

G2. Franchise and Income Tax Matters Mr. Epolite

- Decisions
 1. 944 Market Street, LLC, 924445
 2. Angie Diane Holt Insurance Services, LLC, 736548
 3. Parvaneh Hamedi Mojarad Araghi, 724071
 4. Jay P. Atkinson and Julie Lyn Lipscomb Atkinson, 869294
 5. Paul Bailey, 869491
 6. Bluemist Nominees PTY, Ltd., 863606
 7. Bungie, Inc., 875814
 8. Tyler S. Burgraff and Kimberly Burgraff, 884832
 9. Richard Caires and Stephanie Caires, 810246
 10. Roger Caldwell, 927093

11. Caleb Energy, Inc., 918143
12. Donna C. Carpenter and Anthony S. Carpenter, 939642
13. Richard B. Codner, 937923
14. Mike Czajkowski, 919435
15. Roberta V. Davis, 876696
16. William DeVille and Bernadette DeVille, 856437
17. Kyle Donovan and Jillian Donovan, 822220
18. Luke S. Eagle, 932875
19. Lauren Hawes, 855747
20. Andre Jackson, 876260
21. La-Four, Inc., 881681
22. Thomas M. Leahy, 869827
23. Tyler Katherine Lee, 937496
24. William L. Lee, 937423
25. Charles Liang, 868102
26. Therese A. Lim, 800017
27. Eva M. Lindskog (Dec'd), 838213
28. Carla Lucero, 930767
29. Mahmoud Matin, 932773
30. Lawrence F. McQuaide, 858959
31. Lorraine A. Middleton, 874090
32. Jing Mo and Nianyu Mo, 901578
33. John Moore and Kerri Moore, 925988
34. Richard W. Motske and Karen A. Motske, 937364
35. Mason Thuong Nguyen and Phuong Pham, 943445
36. Bruce Northrop and Doris Northrop, 931856
37. Eduardo Perez, 636176
38. Marshall Reddick, 827716
39. Reynaldo Riego and Josephine Riego, 867247
40. Edelmiro Rosas, 922769
41. Samuel Saavedra and Chona Geronaga Saavedra, 852172
42. Jamin Seid and Deborah Jaffe, 869308
43. Sandy M. Singer and Sue Ann Singer, 941501
44. SKH, LLC, 921951
45. Cynthia Villasenor, 936103
46. Kathleen B. Vinson, 878232
47. Ananthan Visvanathan, 892911
48. Welcome Express, 933494

G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.

G4. Sales and Use Taxes Matters..... Ms. Buehler

- Grant-One Day Interest Relief
 1. CSU Fullerton Auxiliary Services, 1003606 (EA)
 2. KS Delight, LLC, 1003608 (CH)
 3. Ontel Products Corporation, 1003610 (OH)
 4. Pax Holdings, 1003612 (OH)

There are no items for the following 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
 - Section 40 (AB 2323) Matter
 - 1. [Public Motors Los Angeles, LLC, 564308 \(EA\) +](#)
- H2. Franchise and Income Tax Matters Mr. Epolite
 - Petitions for Rehearing
 - 1. Ilona Foyer, 569037
 - Cases Heard Not Decided
 - 2. Ahmad Ghaderi and Susan L. Ghaderi, 773301

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. Hsin-Yao Chou
 - 2. Timothy James Cullen
 - 3. Rosa Maria Ferreyra
 - 4. Premium Organic Treatments PCA
- 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. [Sales and Use Tax Regulation 1707, *Electronic Funds Transfer*](#) +Mr. Heller

Staff requests authorization to complete Section 100 changes to Regulation 1707 to incorporate and make the regulation consistent with the provisions of section 6479.3 of the Revenue and Taxation Code allowing dispensaries, as defined, to remit taxes or prepayments by means other than electronic funds transfer.

There are no items for the following matters:

- K. Business Taxes
- L. Property Taxes

M. Other Chief Counsel Matters

- ~~M1. Adoption of Resolution Conferring Powers on the Executive Director~~ +Ms. Kelly

~~Staff prepared a revised Resolution Conferring Powers on the Executive Director for the Board's consideration that reflects the Board's action on May 23, 2017, conferring to the Executive Director the authority to hire all Career Executive Assignment (CEA) level staff except the Chief Counsel.~~

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](#) +
 - Robert T. Kelly
 - Laureen Simpson
 - Gilbert A. Smith
 - Susan Sweeney

- N2. [Proposed revisions to Compliance Policy and Procedures Manual chapters 2, *Registration*; 5, *Returns*; 7, *Collections*; and 8, *Consumer Use Tax* and Audit Manual chapter 14, *Appeals Procedures*](#) +

- N3. Report on Time Extensions for Del Norte, Inyo, Lake, Lassen, Mendocino, Monterey, Shasta, Sierra, Tehama, and Tuolumne Counties to complete and submit fiscal year 2017-18 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155 +
- N4. Adoption of Property Tax Forms +
- BOE-58-AH *Claim for Reassessment Exclusion for Transfer Between Parent and Child*
Revised signature block to remove the requirement that all transferees sign the form since the statute only requires one signature.
 - BOE-260-B *Claim for Exemption from Property Taxes of Aircraft of Historical Significance*
Revised Section 1 to clarify information needed for the address of the claimant.
 - BOE-261-G *2017 Claim for Disabled Veterans' Property Tax Exemption*
Revised to add notice regarding extension of statute of limitations for these claims; reworded question 2b for clarity; changed "marriage license" to "marriage certificate" to be consistent with the statutory requirement of actual marriage; revised instructions for Section A to advise claimant that additional information may be requested; updated the instructions with the 2018 lien date amounts and income limits.
 - BOE-261-GNT *2018 Disabled Veterans' Exemption Change of Eligibility Report*
Revised to reflect 2018 lien date information; added clarifying information to questions 1 through 6.
 - BOE-263 *Lessors' Exemption Claim*
Revised instructions to clarify information needed for "fiscal year"; changed affidavit to reflect dates needed to process the claim.
 - BOE-263-A *Qualified Lessors' Exemption Claim*
Revised affidavit to reflect dates needed to process the claim.
 - BOE-267-A *20__ Claim for Welfare Exemption (Annual Filing)*
Revised to add clarifying language to question 8 and the instructions regarding documentation required when an outside organization uses a property receiving the Welfare Exemption.

- **BOE-267-L** *Welfare Exemption Supplemental Affidavit, Housing—Lower Income Households*
Revised questions B(3) and E and the instructions to show increased exemption cap pursuant to the provisions of Senate Bill 996 (Stats. 2016, ch. 836); and new requirement for claimant to provide additional information on a supplemental affidavit (see form BOE-267-L2); made non-substantial changes to examples in instructions defining "fiscal year."
- **BOE-267-L1** *Welfare Exemption Supplemental Affidavit, Low-Income Housing Property of Limited Partnership*
Revised question A in Section 3 to clarify documentation required to be filed with the affidavit.
- **BOE-267-L2** *Welfare Exemption Supplemental Affidavit, Housing—Lower Income Households—Tenant Data*
New form (affidavit) to accommodate the provisions of Senate Bill 996 (Stats. 2016, ch. 836) regarding tenant data required for the Welfare Exemption for housing of lower income households.
- **BOE-267-O** *Welfare Exemption Supplemental Affidavit, Organizations and Persons Using Claimant's Real Property*
Revised to provide clarifying language on the form and instructions regarding documentation required when an outside organization uses property receiving the Welfare Exemption.
- **BOE-502-A** *Preliminary Change of Ownership Report*
Revised to include questions regarding the principal residence and disabled veterans' qualifications to solicit information for possible claims for the Homeowners' Exemption and the Disabled Veterans' Exemption; added boxes to identify the person and address where tax information should be mailed for the subject property; clarified question E to indicate that the residence must be owned by a person 55 years of age or older; revised question N to accommodate the provisions of Assembly Bill 2818, Stats. 2016, ch. 701; added question P to allow for other types of transfers; revised instructions to provide information regarding disabled veterans; added information to the instructions regarding transfers following the death of the property owner.

- **BOE-502-AH** *Change of Ownership Statement*
Revised to include questions regarding the principal residence and disabled veterans' qualifications to solicit information for possible claims for the Homeowners' Exemption and the Disabled Veterans' Exemption; added boxes to identify the person and address where tax information should be mailed for the subject property; clarified question E to indicate that the residence must be owned by a person 55 years of age or older; revised question N to accommodate the provisions of Assembly Bill 2818, Stats. 2016, ch. 701; added question P to allow for other types of transfers; revised instructions to provide information regarding disabled veterans; added information to the instructions regarding transfers following the death of the property owner.
- **BOE-502-D** *Change in Ownership Statement, Death of Real Property Owner*
Revised instructions to advise taxpayer to contact the county assessor for additional information.
- **BOE-571-L** *Business Property Statement for 2018*
Revised to reflect 2018 lien date information; added area for taxpayer to provide location of the business property.

O. Adoption of Board Committee Reports and Approval of Committee Actions
This matter is scheduled for later in the day.

P. Other Administrative Matters

- P1. Executive Director's Report Mr. Gau
1. Organizational Update
Report on the status of pending and upcoming organizational issues.

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

P7. Technology Deputy Director’s Report Mr. Capulong

- 1. CROS Project Update
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 of personnel matters (Gov. Code, § 11126(a)).

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

R. Board Member Requested Matters

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

~~R1. Board consideration of the provisions of AB 1210 + Ms. Harkey
Speaker: Assemblymember Sebastian Ridley-Thomas~~

1:30 p.m. Board Meeting Reconvenes*

C. Sales and Use Tax Appeals Hearings

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

C1a. [Mohammad A. Ghazali and Rozina Ghazali, 468075 \(KH\) +](#)

C1b. [Mohammad A. Ghazali and Rozina Ghazali, 552485 \(KH\) +](#)

For Petitioners/Claimants: Mohammad Ghazali, Taxpayer
Edward P. Hiskail, Representative
For Department: Scott Lambert, Hearing Representative

~~C2. Deerpoint Group, Inc., 861189 (DF) +~~

~~For Petitioner: Deborah Miller, Taxpayer
Sean P. Mahoney, Taxpayer
Craig A. Houghton, Attorney
For Department: Andrew Kwee, Tax Counsel~~

- C3. [McFlower Corporation, 647417 \(SO\) +](#)
For Petitioner: Mitchell Stradford, Representative
Jesse McClellan, Attorney
For Department: Scott Lambert, Hearing Representative
- C4. [Ray Klammer, 798813, 905104 \(BH\) +](#)
For Claimant: Ray Klammer, Taxpayer
Ron Beamon, Representative
For Department: Scott Claremon, Tax Counsel
- ~~C5. [Bhopinder Singh Sandhu, 804558 \(GH\) +](#)
For Petitioner: Harpreet S. Chaudhary, Representative
For Department: Nonita DeLaCruz, Hearing Representative~~
- C6. [SJCBC, LLC, 576954, 655010 \(GH\) +](#)
For Petitioner: David Hodges, Taxpayer
Liana Held, Witness
Editte Dalya Lerman, Attorney
For Department: Brad Heller, Tax Counsel

Administrative Matter


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

- O. **Adoption of Board Committee Reports and Approval of Committee Actions**
O1. Business Taxes Committee
O2. Property Tax Committee

Adjourn

General information regarding Board and Committee Meetings can be found at 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. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

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The hearing location is accessible to people with disabilities. Please contact Rose Smith at (916) 323-9656, or email 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.
- ++ Material will be available at a later date.