

BEFORE THE OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

IN THE MATTER OF THE APPEAL OF,)
)
LESLIE BILLINGS and CAROL) OTA NO. 18011078
BILLINGS,)
)
)
APPELLANT.)
)
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)

TRANSCRIPT OF PROCEEDINGS

Fresno, California

Thursday, May 23, 2019

Reported by:
ERNALYN M. ALONZO
HEARING REPORTER

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Transcript of Proceedings, taken at
855 M Street, Fresno, California, 93721,
commencing at 10:16 a.m. and concluding
at 11:09 a.m. on Thursday, May 23, 2019,
reported by Ernalyn M. Alonzo, Hearing Reporter,
in and for the State of California.

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APPEARANCES:

Panel Lead: Hon. Teresa Stanley

Panel Members: Hon. Neil Robinson
Hon. Sara Hosey

For the Appellant: Leslie Billings

For the Respondent: State of California
Franchise Tax Board
By: Brad Coutinho
Natasha Page

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(Franchise Tax Board's Exhibits were received at 6.)

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Fresno, California; Thursday, May 23, 2019

10:16 a.m.

ADMINISTRATIVE LAW JUDGE STANLEY: We're going on the record now.

Once again, this is appeal of Leslie and Carol Billings. It's Case No. 18011078. The date is May 23rd, 2019, and it's 10:16 a.m. in Fresno, California. For the record, I am the lead judge for today's hearing. I'm Teresa Stanley, and I have Judge Neil Robinson and Judge Sara Hosey with me. They will be equally participating and can ask questions if they need to.

And once again for the record, will you please identify yourself.

MR. BILLINGS: Yes. My -- the taxpayer's identification is Leslie, L-e-s-l-i-e, W for my middle initial, Billings, spelled B as in boy, i-l-l-i, n as in Nancy, g, s as in Sam.

ADMINISTRATIVE LAW JUDGE STANLEY: And you are representing both you and your wife?

MR. BILLINGS: It is a joint tax return, so yes.

ADMINISTRATIVE LAW JUDGE STANLEY: Okay. Thank you.

And Franchise Tax Board.

MR. COUTINHO: Brad Coutinho and Natasha Page for

1 Franchise Tax Board.

2 ADMINISTRATIVE LAW JUDGE STANLEY: Thank you.
3 And feel free to ask, again, questions as we go along.
4 We're going to admit into evidence this morning
5 appellants' Exhibits 1 through 12 and respondent's
6 Exhibits A through C.

7 (Appellant's Exhibits 1-12 were received
8 in evidence by the Administrative Law Judge.)
9 (Department's Exhibits A-C were received
10 in evidence by the Administrative Law Judge.)

11 The issue that we're going to decide will be
12 whether appellants have shown that they are entitled to
13 deduct un-reimbursed employee business expenses and home
14 office deductions for the 2012 taxable year.

15 We're going to start. Mr. Billings, you did
16 request five minutes to explain what you intend to show us
17 today in an opening statement.

18 MR. BILLINGS: I understand that Mrs. Stanley.
19 Thank you, Your Honor.

20 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. So I'll
21 go ahead and give you your first opening statement.

22

23 OPENING STATEMENT

24 MR. BILLINGS: My statement is this. The
25 employer that I formally worked for did not reimburse the

1 expenses needed for the job required duties throughout the
2 Central Valley areas. That can include Palmdale,
3 Lancaster, Bishop, Mammoth, Santa Barbara, Lompoc, all the
4 way up to as far as Stockton and into other -- Chowchilla,
5 Madera, Modesto, Fresno, and then other outlying areas.

6 They do not reimburse the employee for that.
7 They only pay the client approved mileage, which is
8 restricted by location and how much is charged in a cap.
9 That is based upon the employment agreement that I had
10 with them. And the expenses that I have put in the 2012
11 tax return were given to the tax preparer as listed on the
12 tax documents that are exhibited. And he requested those
13 to be told through the bank charges, through the receipts
14 that were provided, through the payments to the claimed
15 needed services. Those were not reimbursed.

16 And the question is the Franchise Tax Board
17 saying that they're not qualified. I have nothing else to
18 offer other than my employer did not pay. And if you want
19 to hold me to my employer's standard, I'm going to ask a
20 question about that because I'm not the employer. I'm the
21 employee. They don't pay. This is my last request from
22 that standpoint on the tax submitted documents.

23 I'm not a tax legal professional. Period. I do
24 not talk legalese. I do not talk tax-specific laws. If
25 there is any help that can be granted or assisted with,

1 I'm happy to answer the questions that the judges may
2 have. Thank you for your time and thank you for driving
3 down here from Sacramento. I apologize for my five-minute
4 lateness. I was at the old Equalization Board office, so
5 I apologize.

6 ADMINISTRATIVE LAW JUDGE STANLEY: That's okay.
7 Thank you.

8 Mr. Coutinho.

9 MR. COUTINHO: Respondent would wave opening
10 statements and would just like to make its arguments.

11 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. We'll
12 wait until closing argument then.

13 MR. COUTINHO: Okay. Thank you.

14 ADMINISTRATIVE LAW JUDGE STANLEY: So we'll let
15 Mr. Billings go into the details of how the client
16 contracts work. Are you still going to discuss also your
17 home-office deductions?

18 MR. BILLINGS: If -- if -- if that's allowable,
19 yes. I work from home.

20 ADMINISTRATIVE LAW JUDGE STANLEY: Okay.

21 MR. BILLINGS: And if there are specific
22 requirements that he is saying is not met, then I need to
23 understand what they are presenting, other than coming
24 back and saying, "Well, we sent you a letter. We told you
25 it didn't work, and that's why we're here for the appeal."

1 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. So let
2 me just swear you in so that we can take testimony that's
3 official.

4 MR. BILLINGS: Okay. And can I ask a question on
5 that --

6 ADMINISTRATIVE LAW JUDGE STANLEY: Certainly.

7 MR. BILLINGS: -- just before we do it. Doesn't
8 my tax documents that are exhibited in the evidence
9 produce the same oath that you're about to ask me for?

10 ADMINISTRATIVE LAW JUDGE STANLEY: Your tax
11 documents are signed under penalty of perjury.

12 MR. BILLINGS: Correct.

13 ADMINISTRATIVE LAW JUDGE STANLEY: But I'm going
14 to ask you today -- well, if you don't mind taking the
15 oath, that's the only way we can get testimony into the
16 record under the laws that we operate under.

17 MR. BILLINGS: Fine. Oh, okay.

18 ADMINISTRATIVE LAW JUDGE STANLEY: So I'm just
19 going to ask if you're telling the truth today. So if you
20 don't mind taking that oath --

21 MR. BILLINGS: I don't mind taking the oath
22 but --

23 ADMINISTRATIVE LAW JUDGE STANLEY: -- I'd
24 appreciate it.

25 MR. BILLINGS: -- I just want to make -- I just

1 wanted to make sure that it was noted that I've already
2 signed an oath for the tax return. So --

3 ADMINISTRATIVE LAW JUDGE STANLEY: Correct. I
4 understand.

5 MR. BILLINGS: -- I want to make sure that's
6 aware because this is seven years ago, and the documents
7 that he has that are in evidence, you're going to ask me
8 questions how do you come to the total. I'm happy to
9 discuss that, which is go look at all my charges. So
10 let's raise the hand and let's go.

11 ADMINISTRATIVE LAW JUDGE STANLEY: Okay.

12

13 LESLIE BILLINGS,

14 produced as a witness by and on behalf of himself, and
15 having been first duly sworn by the Administrative Law
16 Judge, was examined and testified as follows:

17

18 MR. BILLINGS: Yes, ma'am.

19 ADMINISTRATIVE LAW JUDGE STANLEY: There we go.
20 Okay. Now, you can go into all the details that you want
21 the judges be able to consider because we will get a
22 transcript of your testimony. So we'll have all that when
23 we're deliberating.

24 MR. BILLINGS: Okay. I'm a W-2 employee. The
25 contracts that the employer negotiates without any

1 involvement of the employee, said me the taxpayer,
2 requires the employee to drive in addition to what's paid
3 for in mileage. The W-2's that are in exhibits on part of
4 the tax returns do have a total that's listed on the W-2
5 form. That's the maximum, amount of mileage and/or
6 expense that was approved to pay based upon client
7 contractual obligations.

8 So if -- I'll use an example. If you live in
9 Sacramento and you have to drive to Fresno, and that
10 clients does not pay for mileage greater than 100 miles
11 round-trip, the mileage from Sacramento to Fresno would
12 equal what -- it would equal a certain total. You would
13 subtract out the \$100 and that is what is left that I am
14 paying out of my own pocket for maintenance of the
15 vehicle, gas cost, oil changes, DMV fees, tires, just the
16 normal maintenance; which is why the tax code allows for
17 consideration as an individual when businesses do not pay.

18 On the office, I work from home. There is a
19 substantial area that is set aside to take care of
20 business, which is a printer, desk, laptop, and then paper
21 supplies and such. Maximum by, I think my understanding
22 is 300 square feet is the maximum that can be taken.
23 That's per regulations. That's per what my tax guy says.

24 So all the expenses that have been listed out are
25 what I am considering as justified expenses for just

1 maintaining the business office at home, driving the
2 millage that I have to do for the employer's work duties
3 for every claim assignment assigned through the period of
4 one year.

5 Any questions?

6 ADMINISTRATIVE LAW JUDGE STANLEY: Judge Hosey,
7 do you have any questions?

8 ADMINISTRATIVE LAW JUDGE HOSEY: Yeah. I have
9 one question. So you were reimbursed the client-approved
10 amount?

11 MR. BILLINGS: Yes.

12 ADMINISTRATIVE LAW JUDGE HOSEY: How is that
13 amount determined? Did you have a contract with each
14 client?

15 MR. BILLINGS: There -- yes, ma'am. There's an
16 individual contractual agreement with the employer. Say
17 whether it's Liberty Mutual, AAA, State Farm, Homesite,
18 Fireman's Fund, all those companies have their own set of
19 rules. That rule is given to the assignment person, which
20 is the claim adjuster. That claim adjuster then has to
21 use their own vehicle to drive from that point A to point
22 B, inspect the loss, take the photos, do the reports
23 whether on-site or at the office, produce the estimate and
24 then drive home to the location.

25 That is per client. So if I get five different

1 companies, there are five sets of rules. And this is how
2 the business operates, and I have no control as an
3 employee on what is paid by that corporation.

4 ADMINISTRATIVE LAW JUDGE HOSEY: So it's
5 predetermined?

6 MR. BILLINGS: It's pre -- it's preset. It's a
7 fee -- it's a fee-based structure which says this client
8 has 75 miles. So after 75 miles are driven, you can
9 charge up to 150 miles. So if I'm driving from
10 Bakersfield to Santa Barbara, I'm only going to get paid
11 for 150 miles.

12 ADMINISTRATIVE LAW JUDGE HOSEY: Okay.

13 MR. BILLINGS: I'm not going to get paid for the
14 full amount. So basically if I drive a thousand miles for
15 a client, and that client says, "I only pay 400 miles," I
16 have a 600-mile loss as an individual.

17 ADMINISTRATIVE LAW JUDGE HOSEY: Okay. Thank you
18 for explaining that.

19 MR. BILLINGS: You're welcome.

20 ADMINISTRATIVE LAW JUDGE STANLEY: Judge
21 Robinson?

22 ADMINISTRATIVE LAW JUDGE ROBINSON: I have a
23 couple of questions. You -- in 2012 you were working for
24 Eagle Adjusting Services?

25 MR. BILLINGS: Yes, sir.

1 ADMINISTRATIVE LAW JUDGE ROBINSON: Okay. Now,
2 the contracts that you're talking about, were they
3 contracts with you individually or between the insurance
4 companies and Eagle?

5 MR. BILLINGS: Eagle and the insurance companies.
6 The employee relationship that I had was W-2. There's
7 1099 or W-2. That's how they would organize them. I was
8 W-2. They would handle the taxes that was deducted from
9 the, you know, earned income. They would handle the back
10 office portion of that, in a sense of FICA, social
11 security; those items that are deducted out of each
12 paycheck.

13 The expense side is here's the other contract for
14 this client. We've negotiated this rate. If you are at a
15 \$5,000 estimate, you get this payment. Then you have
16 mileage. And if they pay for phones or they pay for
17 photos, that would be dictated in those instructions.

18 ADMINISTRATIVE LAW JUDGE ROBINSON: What was the
19 process for you to go through in order to get
20 reimbursement?

21 MR. BILLINGS: The process of -- with the
22 company --

23 ADMINISTRATIVE LAW JUDGE ROBINSON: Yes.

24 MR. BILLINGS: -- or the actual file? I would
25 generate an invoice for each individual claim assignment

1 that was then assigned. So if I lived in Bakersfield,
2 they said, "Hey, we have a loss in Paso Robles. Here's
3 the claim number. Here's the address. Here's the
4 location. Here's the loss and some of the facts. Please
5 go write an estimate."

6 And then you generate the mileage from point A to
7 point B, then point B to point A, and you put it on the
8 invoice which says this company says you have to deduct
9 75 miles for this claim. How many miles did you drive?
10 Well, I drove 325. Well, this client also has a cap that
11 it only pays up to 100 miles. Period. So --

12 ADMINISTRATIVE LAW JUDGE ROBINSON: Okay. But
13 what's confusing for me a little bit --

14 MR. BILLINGS: It's okay.

15 ADMINISTRATIVE LAW JUDGE ROBINSON: -- is who are
16 invoicing?

17 MR. BILLINGS: I'm invoicing the insurance
18 company --

19 ADMINISTRATIVE LAW JUDGE ROBINSON: Okay.

20 MR. BILLINGS: -- that is processed by Eagle's
21 back office. So I submit it off. I submit the report,
22 the invoice, and every -- everything to Eagle Adjusting,
23 who then either approves it or rejects it saying, "Hey you
24 need to tweak something on your report. You misspelled
25 the word "estimate," or you need to change the mileage

1 because they only pay for such."

2 That supervisor at Eagle sends it back to me.
3 Then I send it back to the supervisor, and then that
4 supervisor sends it off to the client. So it's
5 individually written on every file.

6 ADMINISTRATIVE LAW JUDGE ROBINSON: And so from
7 that invoice you're paid? You're reimbursed by Eagle?

8 MR. BILLINGS: Through the client, because they
9 say client reimbursable mileage is the only thing that
10 they will pay. So -- and it sounds labor intensive. It
11 is. So if I did 332 claims that year, I would have 332
12 invoices for those individual claims, which then would be
13 looked at and reviewed.

14 If I'm going to the same area in the same day
15 where I have two appointments in Paso Robles, then I can't
16 bill twice for it. I have to prorate it, and I have to
17 then split what they will cover between the two claim
18 assignments in that location.

19 ADMINISTRATIVE LAW JUDGE ROBINSON: Thank you.

20 MR. BILLINGS: Is that -- is there anything that
21 I'm not making clear because it's convoluted.

22 ADMINISTRATIVE LAW JUDGE ROBINSON: Well, I think
23 you answered my question.

24 MR. BILLINGS: Okay. Thank you, Mr. Robinson.

25 ADMINISTRATIVE LAW JUDGE STANLEY: And I have a

1 couple of follow-up questions starting with what
2 Judge Robinson was talking about. Does that mean your W-2
3 also includes those reimbursements?

4 MR. BILLINGS: Yes. The W-2 will have a line
5 section. And I'm going to reference between 7 and 9,000
6 because -- I can try to look on my actual W-2 because I
7 think this is --

8 ADMINISTRATIVE LAW JUDGE STANLEY: One of the
9 exhibits?

10 MR. BILLINGS: It is.

11 ADMINISTRATIVE LAW JUDGE ROBINSON: Exhibit A?

12 MR. BILLINGS: Yeah. Will you excuse me while I
13 get my?

14 ADMINISTRATIVE LAW JUDGE STANLEY: No. It's
15 Exhibit 2.

16 MR. BILLINGS: So we have wages and tips. Then
17 we have federal income, and then we have social security
18 on the W-2. Medi-Care -- then we have a section down in
19 the 9 -- and this was what I was referring to was the
20 9,403, but that's the federal income tax. And the only
21 question I have is there's an amount that was on a W-2
22 that I'm thinking of that was, like, \$9,000 that says,
23 "Here's what you're mileage was for that year." And that
24 may be on an individual pay stub, which is not included in
25 here, nor do I have. So --

1 ADMINISTRATIVE LAW JUDGE STANLEY: Do you have
2 the ability to get that?

3 MR. BILLINGS: It's -- it's possible. They've
4 changed so many payrolls in the seven years that I was
5 there. I think we had a total of three. We switched from
6 company to company to company as their corporation changed
7 repeatedly. So --

8 ADMINISTRATIVE LAW JUDGE STANLEY: So we'll come
9 back to this and see if we -- if it's something worth
10 holding the record open --

11 MR. BILLINGS: Sure.

12 ADMINISTRATIVE LAW JUDGE STANLEY: -- after the
13 hearing. Maybe if you had pay stubs near the end of the
14 year -- at or near the end of the year that it would show
15 that.

16 MR. BILLINGS: Right.

17 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. And
18 then when you were telling Judge Robinson that you have
19 invoices for 320-some clients in a given year, would that
20 show how much that client reimbursed versus how much
21 mileage you used?

22 MR. BILLINGS: Yeah. You're looking -- we're
23 looking for a comparison is what you're looking for?

24 ADMINISTRATIVE LAW JUDGE STANLEY: Yeah.

25 MR. BILLINGS: Yes. But since it's individually

1 billed that becomes the ownership of the corporation, is
2 my understanding. It's part of their work product. So do
3 I have those invoices? Yes. My former employer, we're
4 not in good terms at this point, and there are proceedings
5 that are occurring. So me getting something from them is
6 probably nil in relation to some of the subject matters
7 that we're discussing.

8 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. And is
9 there any way -- so I'm looking at the Exhibit No. 12 that
10 you said you created for the auditor, but I wanted to
11 understand that. I was trying to see if that shows a
12 difference in pay versus mileage because you have -- it
13 shows the number of miles. Then you have column G that
14 shows miles valued. Is the miles valued the amount of
15 your reimbursement?

16 MR. BILLINGS: Okay. And on that Exhibit 12, I
17 don't have everything with me. So is there a way that I
18 can look at that just to -- I'll give it back. I will not
19 take it with me at all. I don't have enough funds to
20 recreate the five copies needed. I'm sorry. Yes, this is
21 the exhibit that I was reviewing. This is what was
22 encouraged by the auditor. And you can try to use it as
23 comparison, but the total number of miles driven was based
24 upon the individual cities from the home office. Which I
25 believe was based out of Bakersfield that year, which I

1 think we recently moved due to my wife's employer
2 consolidating down back to Bakersfield.

3 So in relation to this data point, I would say
4 this is not the original from 2012 because the auditor
5 basically said, "Just go online and figure out something."
6 And so in my attempt to try to be helpful, it's not the
7 full report.

8 ADMINISTRATIVE LAW JUDGE STANLEY: You're
9 referencing another mileage report that maybe you gave to
10 Franchise Tax Board or the auditor, but we don't have in
11 our records.

12 MR. BILLINGS: Is there a mileage IQ report?
13 Look -- look on the web page or look on the report page
14 that says mileage IQ, because mileage IQ had just came out
15 as an app for tracking mileage that you could base on your
16 cellphone. And so I paid that fee for, you know, the use
17 of the easier tracking method.

18 ADMINISTRATIVE LAW JUDGE STANLEY: And would that
19 have value that shows the reimbursed?

20 MR. BILLINGS: No, because it was only three to
21 four months of 2012 towards the latter part. It did not
22 include the entire year.

23 ADMINISTRATIVE LAW JUDGE STANLEY: Oh, okay.

24 MR. BILLINGS: Okay.

25 ADMINISTRATIVE LAW JUDGE STANLEY: But this one

1 does. And it's --

2 MR. BILLINGS: That one does, and it's -- I just
3 know that it's probably short in the full scope of mileage
4 that's there.

5 ADMINISTRATIVE LAW JUDGE STANLEY: Okay.

6 MR. BILLINGS: That's my -- that's my concern as
7 a taxpayer.

8 ADMINISTRATIVE LAW JUDGE STANLEY: I know you
9 gave back the copy, but when -- this does leave some
10 indication of location where you traveled.

11 MR. BILLINGS: Is there -- is there -- is there
12 also an Eagle adjusting claims list that's part of the
13 exhibits?

14 ADMINISTRATIVE LAW JUDGE STANLEY: I don't think
15 so.

16 MR. BILLINGS: 'Cause that I do have down in my
17 car but, again, not five copies. That's my master copy.
18 So --

19 ADMINISTRATIVE LAW JUDGE STANLEY: I'm almost
20 there.

21 MR. COUTINHO: I think it might be Exhibit 4. I
22 think --

23 MR. BILLINGS: Yeah. It says Rise Claim
24 Solutions.

25 MR. COUTINHO: -- it says Exhibit 4 on

1 appellant's exhibits.

2 MR. BILLINGS: Exhibit 4. Thank you. That's the
3 claim listing for the addresses driven to.

4 ADMINISTRATIVE LAW JUDGE HOSEY: Do you want to
5 see it?

6 MR. BILLINGS: Sure.

7 ADMINISTRATIVE LAW JUDGE STANLEY: Oh, okay.
8 This is --

9 MR. BILLINGS: They changed it.

10 ADMINISTRATIVE LAW JUDGE STANLEY: -- a better one
11 because that has the actual location you traveled to?

12 MR. BILLINGS: Yes, ma'am.

13 ADMINISTRATIVE LAW JUDGE STANLEY: So you can
14 verify the mileage based on the location --

15 MR. BILLINGS: Based on the --

16 ADMINISTRATIVE LAW JUDGE STANLEY: -- to and from?

17 MR. BILLINGS: Based on the address to and from.
18 The -- the one thing on this report is there was some
19 corporations that would assign that were based out of
20 Texas and were a different state. I'm not going to drive
21 to Texas. The address that was handled for that claim was
22 probably in the Central Valley like Palmdale, Bakersfield,
23 Fresno, Madera. And that address was based upon that
24 report, not the Texas mileage.

25 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. But

1 again, none of this ties back to that one piece that we
2 need to know how much each client reimburse versus --

3 MR. BILLINGS: No. Because that -- that is their
4 work product and their negotiation. And sharing that
5 publicly can create arrears for various subject matters.
6 And I can -- I can give possible examples. I do have
7 those, but they're not with me because of the ongoing
8 proceedings separate of this. I would probably have to
9 talk to my attorney to ask him for approval before
10 sharing. And the only reason why is because it's
11 concerning the ongoing proceedings.

12 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. But you
13 do believe that your pay stub, if you can find that, would
14 show how much mileage for a reimbursement for the whole
15 year. And so then that could be a potential comparison
16 point to what you say you used to --

17 MR. BILLINGS: Well, what we -- what the actual
18 driven miles were compared to what Eagle/Rise paid.
19 That's what you're looking for; right?

20 ADMINISTRATIVE LAW JUDGE STANLEY: Correct.

21 MR. BILLINGS: Okay.

22 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. And I
23 did have another question regarding the home office
24 deductions because --

25 MR. BILLINGS: Yes, ma'am.

1 ADMINISTRATIVE LAW JUDGE STANLEY: -- I believe
2 you had not provided any documentation to show what your
3 expenses were that you were accounting, and whether they
4 were included in your contract or not included, like a
5 telephone.

6 MR. BILLINGS: Right. And those were given to
7 the tax preparer from the standpoint of -- and they are
8 also reflected in the bank statements that were provided
9 in part of the exhibits. It is -- there are Internet
10 charges that are monthly. There are cellphone charges.
11 There are -- you know, this is where I'm not a tax guy.

12 So if somebody asked me, "Hey, give me all your
13 expenses," here's my utilities bills. Here's my water
14 bill. Here's my gas bill. You're the tax professional.
15 I pay you to handle this. And if he doesn't include it,
16 he doesn't include it. If he does, then he's done a
17 formula as per what the State of California requires him
18 to be. He's a lot smarter than me. He's a lot older than
19 me, and all I can do is rely on him. So --

20 ADMINISTRATIVE LAW JUDGE STANLEY: And then
21 you're employment agreement does have an addendum. So
22 sometime during that year they changed the reimbursements;
23 right?

24 MR. BILLINGS: Yeah. That was in the change of
25 Eagle to Rise, and the employees were required to sign the

1 addendum or not work for them anymore. That was their
2 presentation. But the habit of already being employed for
3 three years and strongly encouraged by the individual
4 managers and other employees, please put -- keep track of
5 your mileage and put everything on your taxes because
6 we're not -- basically, we're not going to pay you.

7 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. And I
8 have a question for you.

9 MR. BILLINGS: Yes, ma'am.

10 ADMINISTRATIVE LAW JUDGE STANLEY: For
11 Mr. Coutinho.

12 MR. BILLINGS: Oh, I'm sorry.

13 ADMINISTRATIVE LAW JUDGE STANLEY: I'll let him
14 answer a question. For the mileage and for the
15 reimbursements, what does the Franchise Tax Board believe
16 that they would need in addition to what we already have
17 to show that he qualifies for at least some of the
18 reimbursement?

19 MR. COUTINHO: Yes. In regards to the auto
20 mileage, while respondent can appreciate that his former
21 employer whether or not on a good relationship, those
22 invoices that he mentioned that would show how much he's
23 been reimbursed from his employer and the difference of
24 how many miles he's credited total. So whether it be that
25 W-2 or the -- that W-2 statement that shows how much he's

1 reimbursed total, and then how much miles he's -- the
2 difference between the miles driven and how much he's been
3 reimbursed.

4 If he can show -- establish that, that would help
5 establish auto mileage. Also I understand he's provided a
6 mileage log that provides some mileage driven, and it just
7 seems to me it can be reconciled with, okay, these are the
8 trips I take -- took. This is my, you know, good faith
9 estimate of how many miles were driven to that location,
10 and this how much I didn't get reimbursed from my
11 employer. That would help establish that -- for the auto
12 mileage.

13 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. But
14 given that he's not privy to what's on these contracts,
15 you think there's nothing that can be done in place of
16 that?

17 MR. COUTINHO: Unfortunately, the way the law
18 regarding from the treasury regulations and IRS code, the
19 burden is on the employee -- the taxpayer to substantiate
20 the deductions claimed. And so I understand the situation
21 is unfortunate based on the relationship between the
22 employer and the employee, unfortunately, it's the burden
23 of the taxpayer to establish the reference.

24 ADMINISTRATIVE LAW JUDGE STANLEY: Okay.

25 MR. BILLINGS: Your Honor? Mrs. Stanley?

1 ADMINISTRATIVE LAW JUDGE STANLEY: Go ahead.

2 MR. BILLINGS: Is there -- thank you for asking
3 that question because the mechanism that's being asked
4 for, that was what was provided to the tax preparer. It's
5 been provided to them in a form that they are rejecting
6 because it's either too difficult or too hard or is going
7 to take too many hours to do.

8 I -- I don't have an understanding of why they
9 are asking that other than they want to use this
10 definition, but I produce the information which is showing
11 that. And they're saying, "No. You still need to produce
12 more."

13 So even after I produce this, if I can, I still
14 feel the answer is already biased.

15 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. Except
16 that we are the ones who are going to be --

17 MR. BILLINGS: I'm not saying you are biased.
18 I'm saying the process is. I'm saying the process is
19 already set that I've already done this once with my tax
20 preparer. Now, I've done a second time and a third time,
21 and they are still wanting more. And that's where I'm an
22 individual. It is on my -- it is responsibility to prove.
23 All I can tell you is the God-honest truth. If I have an
24 address on that exhibit from Rise claims that says, "This
25 is the address that the claim was at, and my home office

1 is here," you're basically telling me, the tax board is,
2 we don't believe you.

3 We don't believe that you got in your car; you
4 took your photos; you took the time; you drove through the
5 gas -- filled up the gas; you put new tires on your
6 vehicle. They are saying that I have given over false
7 information, and that anything that I tell them is not
8 going to be accepted. That's where I'm stuck at. I don't
9 know what else to say.

10 ADMINISTRATIVE LAW JUDGE STANLEY: Okay.
11 Judge Hosey, do you have any follow-up questions?

12 ADMINISTRATIVE LAW JUDGE HOSEY: No. I think
13 you've clarified. Thank you so much.

14 ADMINISTRATIVE LAW JUDGE STANLEY: Judge
15 Robinson?

16 ADMINISTRATIVE LAW JUDGE ROBINSON: No further
17 questions.

18 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. I'm
19 going to go ahead and let you give your closing argument,
20 if you want to say anything more to us.

21

22 CLOSING STATEMENT

23 MR. BILLINGS: And I'm trying not to repeat
24 myself. The only thing is that I feel that if the burden
25 is on me to be responsible, I've been responsible and I've

1 put forth the good faith discussion points that have been
2 asked for. All the deductions were given to the taxpayer
3 in good faith. They were given to the State in good
4 faith. And simply put, they're telling me you have no
5 mechanism, Les, that says we're going to accept it.

6 We feel the \$2,000 is still owed. They won't
7 come back with any assistance to say this is what we
8 specifically need. So you're going to throw darts at the
9 dart board to guess which is the right document to give
10 us. Like I said before, I'm not a tax preparer. I'm not
11 a tax person. I work hard just like you guys. You guys
12 wake up early to come down here. I do the same, and I
13 respect your time. And again, I apologize for being late.
14 I respect their time as they are professionals.

15 It is just frustrating as a tax person that you
16 do be honest. You tell the truth. You come to the table,
17 and then they still say, "Well, no. You give more. You
18 got to give more."

19 I've given enough as possible. So if you want
20 the invoice -- invoices, I'll ask my attorney and see if
21 he's willing to produce examples. Producing all 332, I
22 will tell you is probably going to be concerning to him.
23 With the relationship to the mileage driven versus mileage
24 claimed, I will come up with the pay stub, the closest pay
25 stub to the year end. I'm willing to do what is

1 available, but I'm still concerned as a taxpayer that if I
2 pay my taxes, I've given all the documentation that I
3 have, and it doesn't meet your format, and I can't find
4 out that format, I -- I'm confused. I apologize.

5 So thank you for listening to me, all three of
6 you and the note taker. Thank you for driving down here
7 from Sacramento for all of you, unless you're local.
8 Which I don't know if you are, or you are all down here.
9 So thank you for taking the time. I appreciate giving the
10 opportunity to have the appeal listened to.

11 ADMINISTRATIVE LAW JUDGE STANLEY: Thank you.

12 Mr. Coutinho.

13

14 CLOSING STATEMENT

15 MR. COUTINHO: Good morning. As we know this
16 case is a case regarding substantiation of un-reimbursed
17 employee expenses. Deductions are a matter of legislative
18 grace and the taxpayer bears the burden of proving their
19 entitlement to a deduction. Under Internal Revenue Code
20 section 6001, the taxpayer is required to maintain records
21 sufficient to establish the amount of that deduction.

22 Under IRS Treasury Regulations, the taxpayer must
23 substantiate each element of an expenditure or use by
24 adequate records or by sufficient evidence corroborating
25 his own statement. In this case on their 2012 tax return,

1 appellants claim the following four categories for
2 un-reimbursed employees. The first is telephone and
3 Internet. The second was cellphone. The third was
4 business meals, and the fourth was auto mileage.

5 In this case there's two reasons why respondent's
6 position currently is that appellants haven't shown that
7 they've substantiated to show that they're entitled to
8 reimburse employee expenses. The first reason is that
9 appellant and employment agreement appears to provide an
10 avenue to provide some reimbursement for expenses than
11 employee has incurred for necessary business purposes.

12 And the second reason is the evidence provided by
13 appellants does not appear to be complete as it doesn't
14 show what expenditures were personal consumption and what
15 expenditures were for business purposes. In regards to my
16 first point as shown on Exhibit 3, Appellant's statements,
17 there's an employment agreement. And that employment
18 agreement as explained by appellant today provide some
19 reimbursement for auto mileage or telephone and Internet
20 and for cellphone.

21 And it appears on the addendum to be, at sole
22 discretion, appellant's employment -- employer may be in
23 for any additional necessary and reasonable business
24 expense pursuant to their reimbursement policy. In the
25 record right now there isn't evidence regarding the travel

1 expense and reimbursements policy and what information is
2 contained in that policy. But based on the information
3 here, it appears that there's some avenue for
4 reimbursement.

5 In regards to auto mileage as stated previously,
6 what respondent is looking for is the amount that was
7 reimbursed and then the difference between that and the
8 mileage that appellant actually drove. That information
9 would help substantiate what were un-reimbursed employee
10 expenses. There's a case on point in regards to this from
11 the IRS. It's Howard versus Commissioner of Internal
12 Revenue Services.

13 And in that case the U.S. tax were held when
14 there's a policy or an agreement that allows for
15 reimbursement. But employee must show that they sought
16 reimbursement and were denied in order to be entitled to
17 un-reimbursed employee expenses. So what we're looking
18 for is what expenses the employer did allow and which ones
19 were not allowed. And from that those could determine
20 what appellants would be entitled to for those
21 reimbursement employee expenses.

22 In regards to -- as stated earlier regarding the
23 telephone and Internet, it appears to be there's some
24 reimbursement permitted. And it's not clear which ones
25 were cellphone and telephone were allowed by his employer,

1 and which ones were not. Evidence showing that he
2 submitted the expense reports regarding cellphone and
3 telephone, and those were denied, would be helpful in
4 establishing whether or not appellant has been entitled to
5 those expenses.

6 In regards to the second point, the evidence
7 currently submitted doesn't provide a breakdown of what
8 expenses were for personal consumption and which ones were
9 for business use. For instance, there's -- Appellants
10 provided an Excel spreadsheet and credit statements to
11 support business meals. However, it's not clear whether
12 the breakdown was whether those were for personal use or
13 whether those were for business purpose. The same with
14 telephone and Internet.

15 While appellant has provided credit card
16 statements to show the expenditures for telephone and
17 Internet, it's not -- there's no breakdown that Appellants
18 have provided that would show which ones were for other
19 family members or own personal use as opposed for a
20 business purpose.

21 I'd be happy to address any other questions or
22 concerns the panel may have. Thank you.

23 ADMINISTRATIVE LAW JUDGE STANLEY: I think we're
24 okay. You want to have the final word?

25 MR. BILLINGS: First of all, thank you. So

1 basically what I've just heard him say -- and he can help
2 correct if he needs to -- is he's saying, Les, you have
3 not shown as by defined documents that you've submitted
4 for that definition. But when he says I've submitted a
5 spreadsheet showing business meals, I would ask the
6 judges, if you go to lunch today based upon the mileage
7 that you had to drive today, is that personal consumption
8 or business consumption?

9 I don't know that answer personally. If I drive
10 to Palmdale from Bakersfield, I'm actively in business
11 mode. I have to go meet clients. I have to have
12 sustenance. Am I meeting with the client and having
13 lunch? No. I'm in that particular area. If I need to
14 eat lunch, I need to eat lunch. If that's personal
15 consumption versus business consumption, I would like to
16 get an understanding of what that's meant by, because
17 that's not clear.

18 So I would like to ask what is the mileage that
19 is customary to keep it custom; to keep it personal versus
20 what is the acceptable mileage driven for eating lunch or
21 dinner at a location? Because it's 5:00 o'clock and I
22 haven't eaten all day, and I needed to be able to drive
23 home the next two and a half hours because that's what the
24 day presented. I don't know that answer.

25 So he gets the full report. He gets all the

1 lunches, meals that were expended outside of -- I would
2 probably say a 75-mile radius. Why 75 miles? It's
3 because for some reason that's normal client type of -- in
4 my world that's something that the clients are basing
5 their decisions on. So I don't know how to define that
6 for him if he says we can't tell what's personal and
7 what's business.

8 ADMINISTRATIVE LAW JUDGE STANLEY: Just one
9 follow-up question.

10 MR. BILLINGS: Yes, ma'am.

11 ADMINISTRATIVE LAW JUDGE STANLEY: Did you say
12 that when you're having meals that you were claiming, it's
13 based just on mileage? You're not actually meeting with
14 the client at lunch or --

15 MR. BILLINGS: Are there meetings that happen
16 during the lunch period that I'm carrying my fast food
17 into it? Yes, there are. Is there a specific meeting
18 that I'm having meetings with a coworker that is in the
19 area and we're meeting up? Yes, there are those.

20 But from a standpoint from an individual, if I
21 have driven 350 miles in one day, why -- where does
22 personal come into play versus business? That's my
23 question, because I feel the tax code does -- either it
24 does give that definition, or it's because I don't
25 understand it. So I'm happy to be called stupid or

1 whatever, but if I've driven 350 miles in one day, I have
2 to eat. That's a -- to me that's a business expense.

3 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. And I'd
4 like to ask Mr. Coutinho to just address that one point,
5 if you would, how he differentiates between business and
6 personal meals.

7 MR. COUTINHO: Sure. Just off the credit card
8 statements alone don't -- it's unclear, you know, with
9 some of these expenditures whether those were only
10 business. Like he only used that credit card for business
11 purposes, or whether that credit card was also commingled
12 with personal use. And, you know, for instance, if you go
13 on a weekend meal or dinner or something like that, that
14 wouldn't meet the definition of business purpose.

15 And so it's unclear based on what's been provided
16 if these meals or if this was a credit card that was only
17 used for business purposes or whether there was also
18 personal expenditures on the credit card statements.

19 MR. BILLINGS: The business does not get a
20 corporate credit card.

21 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. So his
22 answer is it's commingled; right?

23 MR. BILLINGS: Yup.

24 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. All
25 right. Do you have anything further to add or --

1 MR. BILLINGS: No. I just appreciate your time
2 and your qualifiers.

3 ADMINISTRATIVE LAW JUDGE STANLEY: So what I
4 think the panel probably would like to do today is to
5 leave the record open, and I'm going to ask that you try
6 to obtain certain documents for us. And one of those
7 would be that pay stub that's as close to the years --

8 MR. BILLINGS: And 2012.

9 ADMINISTRATIVE LAW JUDGE STANLEY: -- as you can.

10 MR. BILLINGS: Right.

11 ADMINISTRATIVE LAW JUDGE STANLEY: I will ask you
12 to look into getting the invoices. And if your attorney
13 has an issue with them, they can be redacted. You can
14 take out all the names and identify --

15 MR. BILLINGS: And leave the numbers?

16 ADMINISTRATIVE LAW JUDGE STANLEY: Yeah.

17 MR. BILLINGS: Okay. And how much time will be
18 allotted because I do have --

19 ADMINISTRATIVE LAW JUDGE STANLEY: Well, my list
20 isn't done yet.

21 MR. BILLINGS: Okay. I'm sorry.

22 ADMINISTRATIVE LAW JUDGE STANLEY: So you
23 mentioned that people don't want to take many hours going
24 through each one of your bank statement item-wise and
25 trying to figure out whether it was for utilities, whether

1 it's for personal or business.

2 So looking at the Rise statement, if you do come
3 up with the pay stub it would be helpful to know the total
4 mileage on that statement. So if you could go through the
5 list and calculate the mileage on each one and then
6 calculate total mileage. Then we can compare that to what
7 you were reimbursed.

8 And from the bank statements, you got a whole
9 year's worth of bank statements. Again, even if we did
10 take the hours to go through them and look at them, the
11 panel couldn't tell what was for business purpose and what
12 that business purpose was; so if you could categorize
13 that. That's probably a lesser amount in this whole
14 thing, but --

15 MR. BILLINGS: And -- and that's what that Excel
16 spreadsheet that is referenced in that. That's what was
17 given to the preparer. So that -- that was the tabulation
18 of those meals that was provided to. And so it's --
19 that's -- that's what -- again, that's what the original
20 submission was. Then they've come back, and they've asked
21 for additional because they're -- they're basically
22 saying, "We don't understand, Les."

23 That's -- that's -- am I mis-categorizing what
24 you're saying?

25 ADMINISTRATIVE LAW JUDGE STANLEY: Now, I'm

1 trying to find which one you're referring to. Let's see.

2 MR. BILLINGS: It's the exhibit that has totals
3 of business expenses and --

4 ADMINISTRATIVE LAW JUDGE STANLEY: Oh, you mean
5 the spreadsheet that says Exhibit C, Franchise Tax Board?
6 Exhibit C?

7 MR. COUTINHO: C, yes. But I think it's listed
8 as -- it might be appellant's Exhibit 6.

9 MR. BILLINGS: It's like a one page. It's a
10 one-page document.

11 ADMINISTRATIVE LAW JUDGE STANLEY: Oh, it's
12 appellant's Exhibit 1. Respondent's Exhibit C from the
13 briefing.

14 MR. BILLINGS: Right.

15 ADMINISTRATIVE LAW JUDGE STANLEY: So that's --
16 the thing is there's tennis camp, health membership,
17 and --

18 MR. BILLINGS: All those items that have been
19 separated out and those are daycare cost that's not
20 business related. Those are daycare costs for kids.

21 ADMINISTRATIVE LAW JUDGE STANLEY: Right. So
22 like for the meals on this, you just have a total.

23 MR. BILLINGS: Yes.

24 ADMINISTRATIVE LAW JUDGE STANLEY: That's not
25 cross-referenced to the bank statements or the --

1 MR. BILLINGS: It's -- it's the bank statements
2 that show this is the place of business that this meal was
3 purchased at for this amount, and then it's totaled into
4 those categories. I don't have a separate document that
5 says on page 2, line 5, section A, where it says In-N-Out
6 Burger for nine bucks, don't have any dee -- I -- I --
7 that basically it's highlight. Go through the list, the
8 Palmdale -- the cities that I'm driving. Here's the total
9 that was applied. That's why that was a business expense.

10 ADMINISTRATIVE LAW JUDGE STANLEY: Okay.

11 MR. BILLINGS: That's -- that's what I did. I
12 don't have any other write ups, and I can do what you're
13 asking.

14 ADMINISTRATIVE LAW JUDGE STANLEY: So if you want
15 to do what we're asking --

16 MR. BILLINGS: Yes, ma'am.

17 ADMINISTRATIVE LAW JUDGE STANLEY: -- you'll have
18 the opportunity to do that as long as we're keeping the
19 record open for these other issues. It would just be
20 helpful because then we can look at what, you know, what
21 you've circled on the bank statement. This was a
22 Bakersfield trip with this client or whatever the case
23 maybe.

24 So we'll give you that opportunity as well. Then
25 the other thing that Mr. Coutinho referenced was the

1 reimbursement policy that's noted on the addendum. Would
2 that be something you could get? That would be with Rise.

3 MR. BILLINGS: I will -- yeah. I will check with
4 my attorney because that's what is part of the proceedings
5 is -- if you guys basically rule that I owe, which that --
6 you know, whatever happens, happens. Okay. I understand
7 we're in the appeal process. If it's ruled that I owe,
8 that document will probably go into -- that ruling will go
9 into my proceedings, because that's one of my points. As
10 an employee I should not have to pay based upon California
11 law and based upon all those things.

12 And he's saying that it's incumbent upon me to
13 substantiate. I agree. I can try my best to substantiate
14 per the tax definitions. But if the employer wants to
15 choose not to pay, there's no really recollection on the
16 habits and the sole discretion that he's mentioned as a
17 corporation.

18 ADMINISTRATIVE LAW JUDGE STANLEY: Okay.

19 MR. BILLINGS: In that employee addendum, it's at
20 their sole discretion. It's not automatic. It means they
21 want you to give it to them. And if their standpoint is
22 no, we only pay the client's reimbursed issues. Their
23 sole discretion means no.

24 ADMINISTRATIVE LAW JUDGE STANLEY: Okay.

25 MR. BILLINGS: As an employer.

1 ADMINISTRATIVE LAW JUDGE STANLEY: All right.
2 I've listed five things that you can choose to bring to
3 us. How long do you think you'll need?

4 MR. BILLINGS: If it would please, could I have
5 at least a minimum of 30, if not, 45 days?

6 ADMINISTRATIVE LAW JUDGE STANLEY: I'll give you
7 45.

8 MR. BILLINGS: Okay.

9 ADMINISTRATIVE LAW JUDGE STANLEY: And then I'll
10 give the Franchise Tax Board an opportunity -- another 30
11 or -- do you want the same 45 to respond?

12 MR. COUTINHO: Same 45.

13 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. So I'll
14 give the Franchise Tax Board 45 days to respond, which
15 means this will be carried out another three months before
16 we can even start deliberating and writing this, but --

17 MR. BILLINGS: Now, if I submit it sooner --
18 because we have a holiday weekend this weekend by the way.
19 If I submit it sooner, will that clock stop?

20 ADMINISTRATIVE LAW JUDGE STANLEY: Yes. Then
21 we'll start the Franchise Tax Board's clock --

22 MR. BILLINGS: Okay.

23 ADMINISTRATIVE LAW JUDGE STANLEY: -- after you
24 respond. So, yeah, you can speed it up. But what we call
25 this at the Office of Tax Appeals, is additional briefing.

1 We're asking you for additional briefing. So I will,
2 following this hearing, I will send out what we call an
3 additional briefing letter, and I'll lay these out.

4 MR. BILLINGS: Retake -- recapping.

5 ADMINISTRATIVE LAW JUDGE STANLEY: I'll lay those
6 categories out for you that --

7 MR. BILLINGS: Thank you.

8 ADMINISTRATIVE LAW JUDGE STANLEY: -- we want you
9 to produce. And we'll have a deadline in there as well.

10 MR. BILLINGS: Yeah. There was only one other
11 thing that we had talked about in the admin
12 teleconference, and that was Mr. Evanstag basically
13 stating and admitting that the Tax Board had lost my file
14 and basically would have not had this happen for, he
15 stated, my lack of response. And my response was within 7
16 to 10 business days of the original request, and then it
17 sat.

18 Meaning unfortunately, the Franchise Board
19 probably deals with a lot. That's to say the least. But
20 as taxpayer I would expect a higher expectation on
21 handling of files. 'Cause I know what my exceptions are
22 in the business world, and I know the typical response
23 that I get if something wrong, is not the response that
24 the State is allowed. So I would just like to make note
25 of that somehow.

1 ADMINISTRATIVE LAW JUDGE STANLEY: Well, it's now
2 in the record.

3 MR. BILLINGS: That's why I noted it.

4 ADMINISTRATIVE LAW JUDGE STANLEY: Okay.

5 MR. COUTINHO: We just have one final comment.
6 We don't know if it would be helpful to appellant, but
7 there are a couple of IRS publications just discussing
8 auto mileage and business meals. We just wanted to
9 provide that to appellants. It's IRS publication 463 that
10 involves travel, gift, and car; and then publication 529,
11 un-reimbursed employee expenses.

12 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. That
13 might help you to see what you're trying show us, how
14 you're trying to show us. What you're trying to show us.

15 MR. BILLINGS: I understand it may help me. But
16 if I have a different understanding of what those words
17 mean in those publications than the gentleman off to the
18 right, then that's where I'm going to say, "Tax guy, help
19 me out." Not this tax guy but my tax preparer.

20 Because if he says everything you've submitted,
21 Les, is legitimate, and it's understandable, and if the
22 Tax Board doesn't believe you, you're stuck.

23 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. In my
24 additional briefing letter I'll just note those two
25 publications. You can look at them if you want. You

1 don't have to if you don't want to.

2 MR. BILLINGS: Oh, I'll -- I'll look at them, but
3 again, if I read the document and I come to the same
4 conclusion that I'm at right now, we're still going to be
5 at the impasse. So that's -- that's my concern.

6 ADMINISTRATIVE LAW JUDGE STANLEY: Maybe it'll
7 help you to help us here on the panel?

8 MR. BILLINGS: I would -- can I get paid for
9 that?

10 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. So we
11 are going to --

12 MR. BILLINGS: I'm not that smart.

13 ADMINISTRATIVE LAW JUDGE STANLEY: We're going to
14 adjourn this hearing, and we're not closing the record at
15 this time. But at the point we do close the record, for
16 your information Mr. Billings, we'll issue a decision
17 within at least 100 days.

18 MR. BILLINGS: And the interest is still
19 accruing; correct?

20 ADMINISTRATIVE LAW JUDGE STANLEY: Yes.

21 MR. BILLINGS: Yeah, so I --

22 ADMINISTRATIVE LAW JUDGE STANLEY: I shouldn't
23 answer that.

24 MR. BILLINGS: No, it is. And that's why I'm
25 saying -- that's why I'm asking is because that's why I

1 said the response timeframe can start sooner.

2 ADMINISTRATIVE LAW JUDGE STANLEY: Yes.

3 MR. BILLINGS: Thank you all for your time and
4 taking the time out of your day to listen to your citizen.
5 I greatly appreciate it, all of you. And to the back
6 office, thank you very much. And to the lovely people to
7 the right I do hope you have a good day. But, you know,
8 it's always fun to talk to tax people.

9 ADMINISTRATIVE LAW JUDGE STANLEY: We're also on
10 video.

11 MR. BILLINGS: I know we are.

12 ADMINISTRATIVE LAW JUDGE STANLEY: Okay. Thank
13 you for coming.

14 MR. BILLINGS: Meeting adjourned?

15 ADMINISTRATIVE LAW JUDGE STANLEY: Meeting
16 adjourned.

17 (Proceedings adjourned at 11:09 a.m.)

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HEARING REPORTER'S CERTIFICATE

I, Ernalyne M. Alonzo, Hearing Reporter in and for the State of California, do hereby certify:

That the foregoing transcript of proceedings was taken before me at the time and place set forth, that the testimony and proceedings were reported stenographically by me and later transcribed by computer-aided transcription under my direction and supervision, that the foregoing is a true record of the testimony and proceedings taken at that time.

I further certify that I am in no way interested in the outcome of said action.

I have hereunto subscribed my name this 4th day of June, 2019.

ERNALYN M. ALONZO
HEARING REPORTER