



**Agenda**

Office of Tax Appeals Hearings  
Wednesday, August 26, 2020, 10:00 a.m.  
400 R Street  
Hearing Room  
Sacramento, CA 95811  
(Virtual Hearings)

(Agenda updated as of 08/26/20, 7:34 a.m.)

**Franchise and Income Tax Appeals Hearings**

~~J. Osher and L. Osher, 19074992~~

~~Panel Lead: \_\_\_\_\_ Amanda Vassigh~~

~~Panel Members: \_\_\_\_\_ Andrea Long~~

~~\_\_\_\_\_ Tommy Leung~~

~~Appearing for Taxpayer: \_\_\_\_\_ Janet Everson, Attorney~~

~~Appearing for Franchise Tax Board: \_\_\_\_\_ Leo Cristobal, Tax Counsel~~

~~\_\_\_\_\_ Maria Brosterhous, Tax Counsel~~

~~Issues: Whether appellants have established reasonable cause to abate the late filing penalty imposed for the 2015 tax year; whether appellants have established that their 2015 tax return should be deemed timely filed under R&TC section 21027; and, whether appellants have established a basis under the law to abate interest on the 2015 tax year.~~

Bay Guardian Company, 18063341

Panel Lead: Tommy Leung

Panel Members: Alberto Rosas  
Cheryl Akin

Appearing for Taxpayer: Bruce Brugmann, Taxpayer  
Jean Brugmann, Taxpayer  
John Harper, Representative

Appearing for Franchise Tax Board: D'Arcy Dewey, Tax Counsel  
Bradley Kragel, Tax Counsel

Issues: Whether appellant has shown that it was entitled to a deduction for antitrust damages; whether appellant has shown that respondent erred in disallowing appellant's bad debt deduction; and, whether appellant has shown that respondent erred in disallowing an increased net operating loss carryover deduction.



**1:00p.m. Session**

**Business Tax Appeals Hearings**

Rhino Ready Mix Trucking, Inc., 18103871

Panel Lead: Joshua Aldrich

Panel Members: Teresa Stanley

Keith Long

Appearing for Taxpayer: Jaime A. Barragan, Representative

Appearing for Department of

Tax and Fee Administration: Kevin Smith, Tax Counsel

Stephen Smith, Tax Counsel

Damian Armitage, Hearing Representative

Issues: Whether appellant has established that it is entitled to receive an additional amount of tax refund for the claim period of April 30, 2009, through September 30, 2013, which will encompass the following: Whether the safe harbor percentage of 15 percent, established by California Code of Regulations, title 18, section 1432, should be used to establish the exempt off-road use of diesel in bottom dump units and cement powder units during the claim period; whether adjustments are warranted to the percentage of exempt use of diesel fuel in the operation of power take off equipment in cement trucks during the claim period; and, whether adjustments are warranted to the percentage of off-highway use of fuel related to the operation of the cement trucks in the claim period.

Fine Art Group, LLC, 19034565

Panel Lead: Teresa Stanley

Panel Members: Michael Geary

Joshua Aldrich

Appearing for Taxpayer: Sima Kahali, Representative

Appearing for Department of

Tax and Fee Administration: Randy Suazo, Hearing Representative

Jason Parker, Hearing Representative

Chad Bacchus, Tax Counsel

Issue: Whether any adjustment is warranted to the audited understatement of sales tax for the July 1, 2011, through March 31, 2014 audit period.



**State of California  
Office of Tax Appeals**

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The following case was removed from this agenda:

J. Osher and L. Osher, 19074992

During OTA review the FTB conceded the entire amount at issue.

The hearing location is accessible to people with disabilities. Please contact Claudia Lopez at (916)206-4772, or email [Claudia.Lopez@ota.ca.gov](mailto:Claudia.Lopez@ota.ca.gov) if you require special assistance.

Note: The above case description is intended simply to inform the public and the press as to the general subject matter of the case. The description does not necessarily define the specific issues that will be addressed at the hearing.