

OFFICE OF TAX APPEALS  
STATE OF CALIFORNIA

In the Matter of the Appeal of:

**S. COVARRUBIAS,  
dba S&S Tires**) OTA Case No.: 230713841  
) CDTFA Case ID: 1-906-702  
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)  
)  
)**OPINION ON PETITION FOR REHEARING**

Representing the Parties:

For Appellant:

Nader Shahatit, Representative

For Respondent:

Jason Parker, Chief of Headquarters Ops.

S. RIDENOUR, Administrative Law Judge: On October 14, 2024, the Office of Tax Appeals (OTA) issued an Opinion sustaining a decision issued by respondent California Department of Tax and Fee Administration (CDTFA).<sup>1</sup> CDTFA's decision denied, in part, a petition for redetermination filed by S. Covarrubias dba S&S Tires (appellant) of a Notice of Determination (NOD) dated July 1, 2020. The NOD is for \$92,015 in tax, plus applicable interest, and a 10 percent negligence penalty of \$9,201.51 for the period October 1, 2016, through September 30, 2019 (liability period).

On November 12, 2024, appellant timely petition for a rehearing (petition) with OTA. Upon consideration of appellant's petition, OTA concludes appellant has not established a basis for a rehearing.

OTA will grant a rehearing where one of the following grounds for a rehearing exists and materially affects the substantial rights of the party seeking a rehearing: (1) an irregularity in the appeal proceedings which occurred prior to issuance of the Opinion and prevented fair consideration of the appeal; (2) an accident or surprise, occurring during the appeal proceedings and prior to the issuance of the Opinion, which ordinary caution could not have prevented; (3) newly discovered evidence, material to the appeal, which the party could not have reasonably discovered and provided prior to issuance of the Opinion; (4) insufficient

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<sup>1</sup> Sales and use taxes were formerly administered by the State Board of Equalization (board). In 2017, functions of the board relevant to this case were transferred to CDTFA. (Gov. Code, § 15570.22.) For ease of reference, when this Opinion refers to events that occurred before July 1, 2017, "CDTFA" shall refer to the board.

evidence to justify the Opinion; (5) the Opinion is contrary to law; or (6) an error in law in the OTA appeals hearing or proceeding. (Cal. Code Regs., tit. 18, § 30604(a)(1)-(6); *Appeal of Riedel*, 2024-OTA-004P.)

Appellant does not explicitly state upon which grounds it files the instant petition for rehearing. Rather, appellant raises the same arguments in its petition that it raised in the underlying appeal, which OTA considered and discussed in the Opinion. Namely, that the records appellant provided accurately reflect its business model and substantiated its sales and use tax returns, the YouTube video appellant played during the oral hearing showing the steps and time taken to replace a tire demonstrated that the majority of the work performed constituted non-taxable labor which should not be subject to tax, and appellant substantiated disallowed claimed sales for resale.

OTA has already addressed and rejected appellant's arguments in the Opinion. OTA finds these arguments do not satisfy any of the grounds set forth above for granting a rehearing. Appellant's dissatisfaction with the Opinion and attempt to reargue the same issue does not constitute a valid basis for a rehearing. (*Appeal of Graham and Smith*, 2018-OTA-154P.) Accordingly, appellant's petition is denied.

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Sheriene Anne Ridenour  
Administrative Law Judge

We concur:

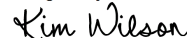
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Natasha Ralston  
Administrative Law Judge

Signed by:



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Kim Wilson  
Hearing Officer

Date Issued: 5/7/2025