



OFFICE OF TAX APPEALS

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Agenda

Office of Tax Appeals Hearings
Friday, September 11, 2026, 9:00 a.m.
400 R Street
Hearing Room
Sacramento, CA 95811

(Agenda updated as of 08/25/26, 4:45 p.m.)

Franchise and Income Tax Appeals Hearing

Pacific Bell Telephone Company, 21047581

BellSouth Corporation & Affiliates, 21047582

Panel Lead: Sara A. Hosey

Panel Members: Josh Lambert

Kenneth Gast

Appearing for Taxpayer: Jeffrey M. Vesely, Attorney

Annie H. Huang, Attorney

Appearing for Franchise Tax Board: Laurie McElhatton, Attorney

Delinda Tamagni, Attorney

Jason Riley, Attorney

Leo Cristobal, Attorney

Issues: Whether BellSouth Corporation & Affiliates (BellSouth) was unitary with AT&T in 2007; whether AT&T was unitary with Cingular/AT&T Mobility; whether AT&T's dividend income from its minority investments in Telmex, America Movil, and Telmex Internacional are business income; whether appellant is entitled to additional enterprise zone sales and use tax credits; whether royalties paid by nonpartner affiliates to AT&T's intellectual property partnerships should be included in AT&T's sales factor denominator; whether appellant has shown error in FTB's determination that appellant's interest and capital gain income from rabbi trust investments are business income; and, whether the accuracy-related penalty may be abated.

The hearing location is accessible to people with disabilities. Please contact Nia Vaughan at (916)926-3048, or email Nia.Vaughan@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.