

NEVADA TAX COMMISSION MEETING  
MINUTES

Nevada Legislative Building  
401 S. Carson Street, Room 2135  
Carson City, Nevada 89701

Legislative Counsel Bureau  
Grant Sawyer State Office Building  
555 E. Washington Ave., Room 4412  
Las Vegas, Nevada 89101

August 12, 2019  
9:00 a.m.

**Members Present**

James DeVold, Chairman  
Randy Brown, Commissioner  
Tony Wren, Commissioner  
Craig Witt, Commissioner  
Sharon Rigby, Commissioner  
George Kelesis, Commissioner (Telephonic)  
Ann Bersi, Commissioner (Telephonic)  
Francine Lipman, Commissioner (Telephonic)

Chairman DeVold called the meeting to order at 9:00 a.m.

I. Public Comment.

Jeff Church stated he runs a website called Renotaxrevolt.com and is here to talk about Reno's first improvement district known as "The Bid". The folks at the Department of Taxation have been very nice and said they will look into this. Once the Department makes a decision, this is worthy of an agenda item so the Commission and the public can be briefed. The Bid is known as an assessment district and they use the term assessment district versus tax. There is no doubt that if the first one is successful, we are going to see more of these as in California and other places. The main issues are: Is the bid tax assessment a tax? May the County Treasurer cease and sell property for nonpayment of the assessment portion of the tax bill? Does the Nevada Constitution Article 10 and NRS 361.4724 restraints apply to the assessment? Some folks last year saw a 50 percent increase in their assessment because they claim that it is exempt from those constitutional restrictions. If Taxation does have jurisdiction, then is this bid DMO, the 501c6, a public body and subject to taxation oversight? Mr. Church referred the Commission and the Department to Nevada Attorney General Opinion No. 2014-01 known as the Mesquite Decision. Quotes from the actual City of Reno plan: "Bid assessments will appear as a line item on the annual property tax bills and will carry the same lien authority or enforcement as standard property tax." How can you lien or foreclose on a non-tax? "Any increase in assessment rates will be limited to the maximum of five percent as determined by The Bid Board of Directors." The point here is that some people saw a 50 percent increase and the determination for the increase to this assessment tax is made by The Bid Board of Directors not by the City of Reno. Therefore Mr. Church stated he believes they are a public body as mentioned in the Mesquite Decision. Thank you.

Director Young administered an oath to all parties testifying.

II. Meeting Minutes:

- A. Consideration for Approval of the June 25, 2019 and August 2, 2019 Nevada Tax Commission Meeting Minutes.

Commissioner Kelesis made a motion to approve the minutes of the June 25, 2019 and August 2, 2019 Nevada Tax Commission meetings. Commissioner Wren seconded the motion. All in favor. Motion carries.

III. CONSENT CALENDAR:

A. Matters of General Concern:

1) Bonds Administratively Waived (dates as indicated) (Sales/Use Tax):

- a) Capitol Automotive Inc.
- b) CSANFIZ LLC
- c) Daves Supply Inc
- d) Favela & Favela LLC
- e) Fedelleck LLC
- f) Henderson Hyundai Superstore Inc
- g) JK Webster Company LLC
- h) KR Gaming LLC
- i) LLCK Inc
- j) Mac and Malone LLC
- k) Merrimak Capital Company
- l) Michelle C Quinn Fine Art Advisory LLC
- m) SJ Tyler Group Inc
- n) St Mina Services & Supplies Inc
- o) Sushi Pier Tahoe LLC
- p) Well Beauty Inc
- q) West Coast Ultimate Team Posters LLC
- r) YL Las Vegas Four LLC

B. Waiver of Penalty and Interest Pursuant to a Request on a Voluntary Disclosure (Sales/Use Tax):

- 1) Beryl Construction LLC
- 2) Boston Barricade Company, Inc.
- 3) Door Control Services Inc.
- 4) Enviro Water Products/Pelican Water Systems
- 5) ICE NGX Canada Inc.
- 6) PN II Inc.
- 7) Roll N Lock Corporation
- 8) Trendway Corporation
- 9) Urschel Laboratories Inc.
- 10) Wave Electronics
- 11) Wild Goose Gaming Technologies Inc.

C. Waiver of Penalty and/or Interest Pursuant to NRS 360.419 that exceeds \$10,000:

- 1) American First National Bank
- 2) RR Donnelley & Sons
- 3) Core-Mark International Inc.
- 4) Liberty Dental Plan of Nevada

D. Approval of Refund/Credit Request in Excess of \$250,000:

- 1) Mirage Resorts Incorporated

E. Consideration for Approval of the Recommended Settlement Agreements and Stipulations (Sales/Use Tax, Modified Business Tax and/or Commerce Tax)

- 1) Maria's Quick Stop LLC dba Maria's Market

- 2) Boardroom Aviation LLC
- 3) Syus, LLC dba Grape Vine Wine Bar & Grill

F. Consideration for the Approval of the Administrative Law Judge's Recommended Decision regarding an Appeal of the Department's Denial of Waiver of Penalty and/or Interest pursuant to NRS 360.419:

- 1) Nitro Finishes dba Final Finish Auto Body

Item III. B. 11) Wild Goose Gaming Technologies Inc. was removed from the agenda.

Item III. E. 3) Cyus LLC dba Grape Vine Wine and Grill was removed from the agenda.

Commissioner Rigby made a motion to approve the consent calendar, minus items III. B. 11) and III. E. 3). Commissioner Lipman seconded the motion. All in favor. Motion carries.

IV. COMPLIANCE DIVISION:

A. Taxpayer's Objection to Hearing Officer's Proposed Decision regarding Appeal of Denial of Request for Waiver of Penalty and/or Interest:

- 1) An Antique Rose Inc. dba Antique Rose Florist

Lizette Arceo, Tax Manager, was present on behalf of the Nevada Department of Taxation.

Debbie Montoya and Dick Ray Montoya were present on behalf of the Taxpayer.

Commissioner Wren made a motion to waive the remaining interest due and requested that the Taxpayer pay penalties and the return check fees. Commissioner Rigby seconded the motion. Commissioner Lipman votes - No. Commission Brown votes - No. Motion carries by majority.

B. Taxpayer's Appeal of Administrative Law Judge's Decision pursuant to NRS 360.245 and NAC 360.175:

- 1) Airlift Helicopters, Inc. and ALP, Inc.

Robert Werbicky, Deputy Attorney General, was present on behalf of the Department of Taxation.

John Bartlett, Esq. was present on behalf of the Taxpayer.

Commissioner Rigby moved to uphold the Administrative Law Judge's decision. Commissioner Brown seconded the motion. All in favor. Motion carries.

C. Taxpayer's Request for a Continuance; and Taxpayer's Appeal of Administrative Law Judge's Decision pursuant to NRS 360.245 and NAC 360.175:

- 1) Enterprise Eighty-Eight Inc. dba BOHO Furniture Gallery (Appeal of Order to Cease Business)
- 2) Enterprise Eighty-Eight Inc. dba BOHO Furniture Gallery (Appeal of Order Imposing Personal Liability for Corporate Debts)

Peter Keegan, Deputy Attorney General, was present on behalf of the Nevada Department of Taxation.

Stephanie Allen was present on behalf of the Taxpayer.

Commissioner Rigby made a motion to deny the Taxpayer's request for a continuance. Commissioner Wren seconded the motion. All in favor. Motion carries.

Commissioner Lipman made a motion to uphold the Administrative Law Judge's decision with respect to the Appeal of the Order to Cease Business. Commissioner Bersi seconded the motion. All in favor. Motion carries.

Commissioner Lipman moved to uphold the Administrative Law Judge's decision with respect to imposing personal liability for corporate debt. Commissioner Bersi seconded the motion. All in favor. Motion carries.

D. Department's Recommendation to the Commission for Approval of an Offer-In-Compromise pursuant to NRS 360.263:

1) Sam Radfar (24 Hour Sushi LLC)

Lizette Arceo, Tax Manager, was present on behalf of the Nevada Department of Taxation.

The Taxpayer was present.

Commissioner Brown made a motion to approve the Offer-In-Compromise of Sam Radfar (24 Hour Sushi LLC). Commissioner Rigby seconded the motion. All in favor. Motion carries.

2) Sam Radfar (Xtreme Sushi LLC)

Lizette Arceo, Tax Manager, was present on behalf of the Nevada Department of Taxation.

The Taxpayer was present.

Commissioner Rigby made a motion to approve the Offer-In-Compromise of Sam Radfar (Xtreme Sushi LLC). Commissioner Brown seconded the motion. All in favor. Motion carries.

3) Sam Radfar (Master Ser Coffee LLC dba It's a Grind Coffee House)

Lizette Arceo, Tax Manager, was present on behalf of the Nevada Department of Taxation.

The Taxpayer was present.

Commissioner Rigby made a motion to approve the Offer-In-Compromise of Sam Radfar (Master Ser Coffee LLC dba It's a Grind Coffee House). Commissioners Brown, Witt and Bersi seconded the motion. All in favor. Motion carries.

4) Audrie M. Bergman

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

The Taxpayer was not present.

Commissioner Brown made a motion to approve the Offer-In-Compromise of Audrie M. Berman. Commissioner Witt seconded the motion. All in favor. Motion carries.

5) Brenda Yancey

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

Brenda Yancey was present.

Commissioner Lipman moved to approve the Offer-In-Compromise of Brenda Yancey. Commissioner Bersi seconds the motion. All in favor. Motion carries.

6) Cornelio Murillo

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

Cornelio Murillo was present.

Commissioner Brown made a motion to approve the Offer-In-Compromise of Cornelio Murillo. The motion was seconded by Commissioner Wren. All in favor. Motion carries.

7) Evelyn Schutte

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

The Taxpayer was not present.

Commissioner Brown made a motion to approve the Offer-In-Compromise. The motion was seconded by Commissioner Lipman. All in favor. Motion carries.

8) Lori J. Smith

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

The Taxpayer was not present.

Commissioner Rigby made a motion to approve the Offer-In-Compromise of Lori J. Smith. Commissioner Wren seconded the motion. All in favor. Motion carries.

9) Me Ray Shook

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

Me Ray Shook was present.

Commissioner Wren made a motion to approve the Offer-In-Compromise of Me Ray Shook. Commissioner Rigby seconded the motion. All in favor. Motion carries.

10) Rafael Miranda

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

Rafael Miranda was present.

Commissioner Rigby made a motion to approve the Offer-In-Compromise of Rafael Miranda. The motion was seconded by Commissioner Witt. All in favor. Motion carries.

11) Javier Venegas

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

Javier Venegas was present.

Commissioner Brown made a motion to approve the Offer-In-Compromise of Javier Venegas. Commissioner Witt seconded the motion. All in favor. Motion carries.

12) Lynn D. Martorello

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

Lynn D. Martorello was present.

Commissioner Brown made a motion to approve the Offer-In-Compromise of Lynn D. Martorello. Commissioner Witt seconded the motion. All in favor. Motion carries.

13) William R. Phillips

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

William R. Phillips was present telephonically.

Commissioner Kelesis made a motion to approve the Offer-In-Compromise of William R. Phillips. Commissioner Rigby seconded the motion. Commissioner Lipman votes – No. Motion carries by majority.

14) Edward Kantor Jr.

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

Edward Kantor Jr. was present.

Commissioner Rigby made a motion to approve the Offer-In-Compromise of Edward Kantor Jr. Commissioner Wren seconded the motion. All in favor. Motion carries.

15) Ramon Gonzalez

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

Ramon Gonzalez was present.

Commissioner Lipman made a motion to approve the Offer-In-Compromise of Ramon Gonzalez. Commissioner Brown seconded the motion. All in favor. Motion carries.

E. Department's Recommendation to the Commission for Denial of an Offer-In-Compromise pursuant to NRS 360.263:

1) Adam Schwartz

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

Adam Schwartz was present.

Commissioner Rigby made a motion to uphold the denial of the Offer-In-Compromise of Adam Schwartz. Commissioner Wren seconded the motion. All in favor. Motion carries.

2) Sia Amiri

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

Sia Amiri was present.

Commissioner Rigby moved to uphold the denial of the Offer-In-Compromise of Sia Amiri. Commissioner Witt seconded the motion. All in favor. Motion carries.

F. Taxpayer's Request for a Continuance; and Department's Recommendation to the Commission for Denial of an Offer-In-Compromise pursuant to NRS 360.263:

1) Darren Hatch

Adriane Roberts-Larson, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

Lizette Arceo, Tax Manager, was present on behalf of the Nevada Department of Taxation.

Darren Hatch was present telephonically.

Commissioner Rigby moved to deny the Taxpayer's request for a continuance. Commissioner Lipman seconded the motion. All in favor. Motion carries.

Commissioner Kelesis made a motion for Darren Hatch to submit a new Offer-In-Compromise in the amount of \$103k, within five (5) days of this date, to the Department. If Mr. Hatch submits the new offer, he has ninety (90) days to pay.

Lizette Arceo stated the Department would agree with the \$103k offer.

Mr. Hatch agreed with the motion.

Commissioner Kelesis amended his motion for Darren Hatch to submit a new Offer-In-Compromise in the amount of \$103k within five (5) days of this date. If Mr. Hatch submits the new offer, he then has ninety (90) days to pay; and the objection to the court will be released contingent upon the \$55k payment. The motion was seconded by Commissioner Wren. All in favor. Motion carries.

G. Petition for Reconsideration of Department's Denial of Exemption Status for Organization Created for Religious, Charitable or Educational Purposes pursuant to NRS 372.3261 (Sales/Use Tax):

1) International Precious Metals Institute

Andrea Nichols, Senior Deputy Attorney General, was present on behalf of the Nevada Department of Taxation.

Stephen K. Gardner, of Kalbian Hagerty LLP, was present on behalf of the Taxpayer.

Jeff Rodefer, Of Counsel, Holland & Hart, was present on behalf of the Taxpayer.

Commissioner Kelesis made a motion to uphold the Department of Taxation's denial. Motion was seconded by Commissioner Rigby. Commissioner Brown votes-No. Motion carries by majority.

V. INFORMATIONAL ITEMS:

A. Penalty and Interest Waivers granted by the Department for Sales/Use Tax, Modified Business Tax and Excise Tax (dates as indicated).

B. Approval and Denial Status Report Log for Organizations Created for Religious, Charitable or Educational Purposes (dates as indicated) (Sales/Use Tax Exemption).

There were no questions.

VI. BRIEFING:

A. Briefing to/from the Commission and the Executive Director.

Director Young acknowledged Commissioner Rigby's request for an overview of net proceeds of minerals. This presentation will be given at the October 7, 2019 meeting.

Director Young stated that through the legislative process, the Department received an additional forty-five (45) employees. Twenty-five (25) employees will be assigned to the Department of Taxation. These new employees will increase the Call Center hours. There will be five (5) new auditors and increased liquor enforcement, Compliance, Accounting and IT. There will be twenty (20) new employees in the Marijuana Enforcement Division, which include IT, fiscal staff, compliance staff, an Executive Director and an Executive Assistant. The new Executive Director will start on January 1, 2020. In July 2020 the Marijuana Enforcement Division will become the Cannabis Compliance Board. The Department of Taxation will be responsible for collecting the taxes, but the Cannabis Compliance Board will be responsible for licensing. The Department is looking at additional office space in Henderson and in Reno. We are also looking at additional space for Tax Commission meetings and board meetings. There were over thirty (30) legislative bills that affected the Department. The main three (3) bills included AB445 (Marketplace Facilitator Bill), SB263 (Vape Tax), and AB533 (Cannabis Compliance Board).

VII. Next Meeting Dates: September 9, 2019 and October 7, 2019.

VIII. Public Comment.

There was no public comment.

IX. Items for Future Agendas.

No items were discussed.

X. Adjourn.