

NEVADA TAX COMMISSION MEETING  
MINUTES

August 14, 2023  
9:00 a.m.

Members Present:

Tony Wren, Chairman  
Ann Bersi, Commissioner (virtual)  
Francine Lipman, Commissioner (virtual)  
Jeff Rodefer, Commissioner (virtual)  
Randy Brown, Commissioner  
H. Stan Johnson, Commissioner (virtual)  
Sharon Byram, Commissioner  
Craig Witt, Commissioner

- I. Call the meeting to order and establish a quorum.

Chairman Wren called the meeting to order at 9:03 a.m. and a quorum was established.

- II. Public Comment.

Chief Deputy Nevarez-Goodson administered an oath to all parties testifying.

III. MEETING MINUTES:

- A. Consideration for Approval of the June 26, 2023 Nevada Tax Commission Meeting Minutes.

Commissioner Rodefer made a motion to approve the minutes of the Nevada Tax Commission meeting held on June 26, 2023. Commissioner Witt seconded the motion. All in favor. Motion carried.

IV. CONSENT CALENDAR:

A. Matters of General Concern:

- 1) Bonds Administratively Waived (dates as indicated) (Sales/Use Tax):
- a) 6<sup>th</sup> and Free LLC
  - b) Dreez LLC
  - c) Hanara LLC
  - d) MEI GSR Holdings LLC
  - e) Mir Brothers Corporation
  - f) My Little Buttercup LLC
  - g) Park on Fremont
  - h) Patriotic Pub LLC
  - i) Pet Station Inc.
  - j) Pkwy District LLC
  - k) Pkwy Marks LLC
  - l) Pkwy Summerlin LLC
  - m) Ritchie McNeelys LLC
  - n) Shady Fremont
  - o) Standard Equipment Capital Inc.
  - p) TEC Equipment Capital Inc.

- q) Telescope LLC
- r) The Mint Tavern LLC
- s) The Moons A Balloon
- t) Yogurt Beach

B. Waiver of Penalty and Interest Pursuant to a Request on a Voluntary Disclosure:

- 1) Cobratype Computers LLC
- 2) DAA Las Vegas LLC
- 3) Diamond Standard LLC
- 4) Farrow & Ball Inc.
- 5) HOBBII
- 6) Hype Nimbus LLC
- 7) J28 Design Inc.
- 8) Noveske Rifleworks LLC
- 9) PCI Group
- 10) Resident Essentials LLC
- 11) SAGE
- 12) Server Supply COM Inc.
- 13) Sierra Living Concepts Inc.
- 14) TCG Wellness Inc.
- 15) Unipro Inc.
- 16) Zyris Inc.
- 17) Bugaboo North America
- 18) Corvette Mods

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

- 1) Heroic Supply, Inc.
- 2) Talk 4 Less Wireless Communications, LLC

D. Consideration for the Adoption 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) Dollar Enterprises LLC

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

- 1) Craig Snair
- 2) Jasvinder Singh

F. Consideration for Approval of the Recommended Settlement Agreements and Stipulations

- 1) MATRIX NV, LLC

Commissioner Brown pulled Item IV. C. 2) Talk 4 Less Wireless Communications, LLC and Item IV. E. 2) Jasvinder Singh for further discussion. Commissioner Lipman pulled Item IV. F. 1) MATRIX NV LLC for further discussion.

Commissioner Brown made a motion to approve the Consent Calendar. Commissioner Lipman seconded the motion. Commissioner Rodefer stated Item IV. B. 14) TCG Wellness Inc. is recommended for denial. All in favor. Motion carried.

Item IV. C. 2) Talk 4 Less Wireless Communications, LLC: Commissioner Brown disclosed that this company is an authorized retailer for Cricket Communications, and Cricket Communications is owned by AT&T. Commissioner Brown abstained from voting. Commissioner Byram mentioned a discrepancy on the topic page for this item. The sum and the total to waive is correct, but misleading by the way it is stated. It would be clearer if it said 50 percent of total interest assessed and then had the correct dollar amount of \$17,000 instead of \$35,000. Chair Wren asked if this could be edited before it is sent out. Commissioner Byram moved to approve the matter of Talk 4 Less Wireless Communications, LLC. Commissioner Lipman seconded the motion including the clarifying correction. Commissioner Brown abstained. Motion carried.

Item IV. E. 2) Jasvinder Singh: Commissioner Brown stated that he supports this offer-in-compromise because the Department is going to recover the entire tax amount. Commissioner Brown noted in the letter to the Department from the taxpayer it states that part of the reason that they wanted this offer-in-compromise is to be able to pay for their children's schooling. He noted on the 2020 tax return, it shows two children as dependents. However, on the 2021 tax return, there are no children listed as dependents. Commissioner Brown also noted that there are seven vehicles insured by the taxpayer, a Mercedes, two Lexus, a 2021 Jeep and a 2021 Toyota. Mixaly Arambula was present on behalf of the Department. Ms. Arambula stated she was not able to address why the dependents dropped in 2021. She mentioned that they are separated. Commissioner Brown moved to approve the offer-in-compromise of Jasvinder Singh. Commissioner Byram seconded the motion. All in favor. Motion carried.

Tina Padovano stated the matter of TCG Wellness Inc. is being recommended for approval not denial. Chairman Wren asked for a motion to rescind the vote on the Consent Calendar. Commissioner Brown made a motion to rescind the vote on the Consent Calendar. Commissioner Witt seconded the motion. All in favor. Motion carried. Chairman Wren asked for a motion to reapprove the Consent Calendar. Commissioner Brown made a motion to approve the Consent Calendar. Commissioner Witt seconded the motion. All in favor. Motion carried. Yvonne Nevarez-Goodson asked for clarification on the motion. Chair Wren asked if the intention was to exclude the items that were pulled for further discussion. Commissioner Brown and Commissioner Witt confirmed that is was their intention.

Item IV. F. 1) Matrix NV, LLC: David Pope, Chief Deputy Attorney General, was present on behalf of the Nevada Department of Taxation. Ed Humphrey was present on behalf of Matrix NV, LLC. Commissioner Lipman asked if this information was made available to the Cannabis Compliance Board. Mr. Pope stated the information is communicated to the Cannabis Compliance Board and they do know the status. Commissioner Lipman made a motion to approve the Settlement Agreement of Matrix NV, LLC. Commissioner Bersi seconded the motion. All in favor. Motion carried.

V. COMPLIANCE DIVISION:

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

1) Diana Freij

Mixaly Arambula was present on behalf of the Nevada Department of Taxation. Richard Vallari, CPA, Maha Rabah Khali and Diana Freij were present. Commissioner Byram made a motion to approve the offer-in-compromise for Diana Freij. Commissioner Rodefer seconded the motion. Motion died. Commissioner Byram made a motion to deny the offer and encouraged the taxpayer's representative to work with the Department to come up with another agreement and to provide the documents that are needed. Commissioner Lipman seconded the motion and suggested the taxpayer increase the offer with the estimation of the exemptions. All in favor. Motion carried.

2) Marlon Grimaldo

Item V. A. 1) Marlon Grimaldo was continued to a future meeting.

- B. Approval of Refund/Credit Request in Excess of \$250,000:  
1) AIU Insurance Company

Jo Lynn Smith, Tax Manager, was present on behalf of the Nevada Department of Taxation. Ms. Smith stated that the Department is recommending approval of the refund/credit for AIU Insurance Company. Commissioner Witt moved to approve. Commissioner Brown seconded the motion. All in favor. Motion carried.

- C. Taxpayer's Appeal of Administrative Law Judge's Decision pursuant to NRS 360.245 and NAC 360.175:  
1) Blackout Inc.

Terry Johnson, Esq., was present on behalf of Blackout Inc. Michael Viets, Deputy Attorney General, was present on behalf of the Nevada Department of Taxation.

Commissioner Byram made a motion to overturn the Administrative Law Judge's Decision. Commissioner Bersi seconded the motion. Roll Call: Commissioner Lipman – Nay, Commissioner Bersi – Aye, Commissioner Rodefer – Aye, Commissioner Brown – Nay, Commissioner Johnson – Nay, Commissioner Byram – Aye, Commissioner Witt – Nay, Chairman Wren – Nay. Motion died.

Commissioner Byram made a motion to overturn the Administrative Law Judge's audit result but to enforce the decision on a go forward basis that prospectively sales tax be included on the service of admission that is part of the sale. Commissioner Byram withdrew the motion.

Commissioner Lipman moved to uphold the Administrative Law Judge's Decision in the taxpayer's appeal of Blackout, Inc. Commissioner Brown seconded the motion. Roll Call: Commissioner Lipman – Aye, Commissioner Bersi – Nay, Commissioner Rodefer – Nay, Commissioner Brown – Aye, Commissioner Johnson – Nay, Commissioner Byram – Nay, Commissioner Witt – Aye, Chairman Wren – Nay. Motion died.

Commissioner Byram made a motion to uphold the Administrative Law Judge's Decision, but to modify the resulting assessment to fifty percent (50%) of what is currently assessed of tax, interest and penalty. Motion was seconded by Commissioner Lipman. Roll Call: Commissioner Lipman – Aye, Commissioner Bersi – Nay, Commissioner Rodefer – Nay, Commissioner Brown – Nay, Commissioner Johnson – Aye, Commissioner Byram – Aye, Commissioner Witt – Aye, Chairman Wren – Nay. Motion died.

Commissioner Lipman made a motion to uphold the Administrative Law Judge's Decision. Commissioner Witt seconded the motion. Roll Call: Commissioner Lipman – Aye, Commissioner Bersi – Nay, Commissioner Rodefer – Nay, Commissioner Brown – Aye, Commissioner Johnson – Aye, Commissioner Byram – Aye, Commissioner Witt – Aye, Chairman Wren – Aye. Motion carried.

2) Nevada Restaurant Services

Steven Hollingworth, Esq., was present on behalf of Nevada Restaurant Services. Michael Viets, Deputy Attorney General, was present on behalf of the Nevada Department of Taxation. Commissioner Brown made a motion to reverse the Administrative Law Judge's Decision. Commissioner Bersi seconded the motion. Roll Call: Commissioner Lipman – Aye, Commissioner Bersi – Aye, Commissioner Rodefer – Aye, Commissioner Brown – Aye, Commissioner Johnson –

Aye, Commissioner Byram – Nay, Commissioner Witt – Nay, Chairman Wren - Aye. Motion carried.

3) Royalty Exotic Car Rental

Item V. C. 3) Royalty Exotic Car Rental was continued to a future meeting.

D. Department's Request for Approval of Motion to Dismiss Taxpayer's Appeal and Affirm Decision of the Administrative Law Judge:

1) Silver Arrow LLC

Margaret Best, Enrolled Agent for the IRS, American Tax and Business Solutions, and Greg Young, Owner, were present on behalf of Silver Arrow LLC. Michael Viets, Deputy Attorney General, was present on behalf of the Nevada Department of Taxation. Commissioner Byram made a motion to remand this matter back to the Department of Taxation. Commissioner Lipman seconded the motion. The motion was amended to add a time limitation of sixty (60) days to submit evidence and to work through to process. All in favor. Motion carried.

2) Tobacco Leaf

Walid Sabra, Owner, was present on behalf of Tobacco Leaf. Michael Viets, Deputy Attorney General, was present on behalf of the Nevada Department of Taxation. Commissioner Byram made a motion to deny the Motion to Dismiss and the Decision of the Administrative Law Judge, to remand it back, and to have the Department's letter re-sent to the taxpayer with some confirmation of receipt. Commissioner Bersi seconded the motion. A thirty (30) day response time was added to the motion by Commissioner Byram. Michael Viets provided the Department's letter to the taxpayer in the presence of the Commission. All in favor. Motion carried.

VI. LOCAL GOVERNMENT FINANCE

A. Consideration for Approval of a Reappointment to the Appraiser Certification Board:

1) Sorin Popa

Jeffrey Mitchell, Deputy Executive Director, was present on behalf of the Department. Sorin Popa, Supervisor – Centrally Assessed Properties and Certified Appraiser, was present. Mr. Mitchell stated that Mr. Popa has a Master's degree in finance from the University of Tennessee obtained in 2013, as well as a Ph.D. with an emphasis in engineering and a Master's of engineering from the Polytechnia University of Bucharest. He has been a great asset to the Department and would continue to be an asset to the Appraiser Certification Board. Commissioner Byram made a motion to approve the appointment of Sorin Popa to the Appraiser Certification Board. Commissioner Brown seconded the motion. All in favor. Motion carried.

VII. 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).

VIII. BRIEFING:

A. Briefing to/from the Commission and the Executive Director. (for discussion only)

Yvonne Nevarez-Goodson, Chief Deputy Executive Director, was present on behalf of Shellie Hughes, Executive Director. On behalf of Director Hughes, we want to provide you a quick update regarding the regulations. As the Commission may recall, before the legislative session, Governor Lombardo issued Executive Order 2023-003 which for all intents and purposes put a freeze on all regulations and asked all of the agencies to produce a report making recommendations for the repeal amendment for addition of regulations that would streamline business activity in the State of Nevada. On May 1, 2023, the Commission directed the Department to go ahead and issue that order. If you recall, we had several meetings where we looked at all of the Commission's regulations, put together a very lengthy report, produced that to the Governor's Office, and then at the conclusion of the legislative session, the Governor issued Executive Order 2023-008 which lifted the freeze on regulations, directed agencies to pursue regulations that were mandatory out of the 2023 legislative session and also to move forward with the recommendations that the agencies made to the Governor's Office in their respective reports. Because the Commission's report and detail was so lengthy, we are going to start commencing the process at the Department level to prioritize those regulations. We will have to now comply with the requirements of NRS 233B which will require the Department to provide language to the Legislative Council Bureau and receive that language back in official form. We will have to host workshops and formal public hearings to adopt all of those proposed regulations. So that process will start late summer/early fall. And you can probably anticipate those matters coming before the Commission again in formal public hearings. We are still in the process of bill implementation. We are having regular weekly meetings with Department staff to implement the various bills that affect the Department. That's ongoing and we will continue to update you with anything relevant as far as how those bills affect the Commission. The last update is on our Carson City move. The office, as we mentioned to you last time, will be moving probably sometime in the November timeframe. We are on track to have that move occur at our Carson City location, so as you can imagine, it's a big undertaking administratively to get everybody moved over, but we are still on track to meet that November time frame.

IX. Next Meeting Date: October 2, 2023.

X. Public Comment.

David Pope, Chief Deputy Attorney General: I just want to take this open to introduce our newest tax deputy Mary Huck. Mary was most recently with the Insurance Division as in-house counsel. She has a lot of experiences with different state positions and legal experience, so she is going to be a great asset and welcome.

XI. Items for Future Agendas. (for discussion only)

No items were discussed.

XII. Meeting adjourned at 12:37 p.m.