

NEVADA TAX COMMISSION MEETING
MINUTES

January 17, 2024
9:00 a.m.

Members Present:

George Kelesis, Chairman
Caryn Adelhoch, Commissioner
Thomas Sheets, Commissioner
Jeff Rodefer, Commissioner
H. Stan Johnson, Commissioner
Sharon Byram, Commissioner
Craig Witt, Commissioner
Ryan Bellows, Commissioner

Chairman Kelesis called the meeting to order.

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

Ron Voigt – I attended a consumer electronics show in Vegas and walked around the show and encouraged the businesses to register. Believe it or not, there are a few that will be contacting the Department. January 8th turned out to be a very popular due date for folks in the department. Myself and some of my clients received e-mails around the 19th of December. I was in Texas around that time and my client, one was in New York and one was getting medical attention in California. Because I worked for the department, until I retired in May 2021, I knew what to do, but that's me. How about folks that don't know what to do? That's what I'm more concerned about. The due date of January 8th, you would agree, was not realistic but we got it done. The A.G. representative and myself, we worked it through. The other portion dealing with the revenue folks for the citation, I think you have a memo from me, I don't want to discuss right now. I will say that having someone show up at your house is a shock. There is a Taxpayer Bill of Rights that I think the Department's tax manager needs to really read and get caught up because the audits are really, in my opinion, I've been an auditor for 30 years, 18 years with the Department, before that in the corporate world. You are not doing a financial audit, you're doing a compliance audit. Now, I know the Chairman here. I've looked at your background. I think we have someone that worked for an accounting firm. You know that a financial audit is different than a compliance audit, but it seems to me that the tax audit manager is putting more emphasis on a financial audit. And his staff, you're not qualified to, you're not a CPA. Compliance audits just do testing. You don't need to look at all of the sales invoices for the whole audit period. You don't need to look at the purchase invoices from the whole audit period. The purchases, just look at a purchase invoice, see a tax, what's collected by that vendor. If not, then you've got a problem. If it was required, then fine. Same thing with this element. You test. You don't really look at all throughout the whole audit period. In fact, the NAC requires you to look at, at least for sales, three sample months. Just do testing and save a lot of people a lot of time. If you have audited the business before, in the public accounting world, we have a thing called a permanent file, which means you already have record on how that business operates. You don't need to spend all your time again trying to learn that business. Chairman, welcome back. Thank you very much for the time.

III. MEETING MINUTES:

A. Consideration for Approval of the December 4, 2023 Nevada Tax Commission Meeting Minutes.

Commissioner Johnson made a motion to approve the Minutes of the December 4, 2023, Nevada Tax Commission meeting. Commissioner Sheets seconded the motion. All in favor. Motion carries.

Director Hughes administered an oath to all parties testifying.

IV. CONSENT CALENDAR:

A. Matters of General Concern:

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

- a) Award Zone
- b) Blue Star Management Group LLC
- c) Eddies Mexican Restaurant LLC
- d) Ichiran Management Inc.
- e) Land Ocean Inc.
- f) LV Restaurant Management Corp
- g) M5B LLC
- h) Parsons Rocks LLC
- i) Sapporo Group Nevada Inc.
- j) Sapporo Kaiten Inc.
- k) Seedtocup LLC
- l) Sial Family LLC
- m) 155 Gardner Street LLP

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

- 1) 4Patriots LLC
- 2) Beauty Science Group
- 3) Burford
- 4) The Center Brands LLC
- 5) Artistic Paver MFG
- 6) Ginkgo Bioworks Inc
- 7) Digital Med LLC
- 8) DSA Signage
- 9) DTLR Inc
- 10) EU Automation
- 11) Fear of God LLC
- 12) General Water Technologies Inc.
- 13) Harry Allen Solar Energy LLC
- 14) Henry Products Inc.
- 15) Hnilo Naturals LLC
- 16) Industrial Chem Labs and Services Inc.
- 17) Live Conscious
- 18) Lockmasters Inc.
- 19) Magstim Inc.
- 20) MVS Discount Sales
- 21) SCP Science
- 22) Skinesa
- 23) USGBC
- 24) Walsh Construction Company II LLC

- 25) Web Steel Buildings NW LLC
- 26) Z Supply LLC
- 27) Swagcom LLC

- C. Waiver of Penalty and/or Interest Pursuant to NRS 360.419 that exceeds \$10,000:
 - 1) Builders First Source Group of Nevada LLC
 - 2) Little Caesar Enterprises Inc.
 - 3) Audemars Piguet North America Inc.
 - 4) Baca Systems
 - 5) Wal Mart Associates Inc.
 - 6) FRSCO Corporation

- D. Consideration for Approval of the Recommended Settlement Agreements and Stipulations
 - 1) Veinte Veinte Las Vegas LLC dba Optica Veinte Veinte

- E. Departments Recommendation to the Commission for Approval of a Payment Plan Request:
 - 1) Lopez Corrales Inc., dba Roberto's Taco Shop

- F. Department's Recommendation to the Commission for Approval of an Offer-In-Compromise pursuant to NRS 360.263:
 - 1) Bharti Gupta
 - 2) Judy Pham

Commissioner Sheets made a motion to approve the consent calendar as a whole. Commissioner Johnson seconded the motion. All in favor. Motion carries.

V. COMPLIANCE DIVISION:

- A. Taxpayer's Appeal of Administrative Law Judge's Decision pursuant to NRS 360.245 and NAC 360.175:
 - 1) Tobacco Leaf LLC

Walid Sabra and Junshen Shentu appeared on behalf of Tobacco Leaf, LLC. Kayla Dorame, Deputy Attorney General, appeared on behalf of the Department. Commissioner Sheets made a motion to adopt the Administrative Law Judge's Decision. Commissioner Byram seconded the motion and suggested that the Taxpayer approach the Department for an offer-in-compromise because she believes there is an error in the estimate and that it is overstated a bit. All in favor. Motion carries.

- 2) Lucino's Pizza LLC

Lucetta Scolaro and Aniela Szymanski, Esq. appeared on behalf of Lucino's Pizza LLC. Richard Yien, Deputy Attorney General, appeared on behalf of the Department. Commissioner Byram made a motion to overturn the Administrative Law Judge's Decision. Commissioner Rodefer seconded the motion. Commissioner Bellows votes nay. Motion carries.

- B. Taxpayer's Appeal of the Department's Decision Denying Taxpayer's Late Filed Petition for Redetermination. Please Note: The purpose of this meeting is limited solely to the Commission's review and consideration regarding the untimely filing of your petition for redetermination. This meeting is not noticed to address the underlying merits of the deficiency determinations.

1) Zonia E. Dubon

Zonia E. Dubon was present. Sarah Glazner, Management Analyst III, was present on behalf of the Department. Commissioner Sheets made a motion to approve the appeal of the Taxpayer and to allow the Taxpayer to provide additional information to the Department. Commissioner Witt seconded the motion. Commissioner Byram and Commissioner Rodefer vote nay. Motion carries.

VI. LOCAL GOVERNMENT SERVICES

A. Taxpayer's Appeal of the Treasurer's Denial of Waiver of Penalty and/or Interest per NRS 361.4835 (Clark County):

1) Mason Jonn Thomas Living Trust

A representative from the Clark County Treasurer's Office was present. Victoria Salas was present on behalf of the Department. The Taxpayer was not present. Commissioner Sheets made a motion to affirm the denial of the Taxpayer's appeal. Commissioner Johnson seconded the motion. All in favor. Motion carries.

2) Meyers Holding Company LLC

Jess Meyers was present on behalf of Meyers Holding Company LLC. Tina Poff with the Clark County Assessor's Office was present. A representative from Clark County Treasurer's Office was present. Victoria Salas was present on behalf of the Department. Commissioner Sheets made a motion to waive the penalty. Commissioner Adelhoch seconded the motion. Commissioner Byram votes nay. Motion carries.

3) Smith Alger W & Maryann Revocable Trust

A representative from the Clark County Treasurer's Office was present. Victoria Salas was present on behalf of the Department. The taxpayer was not present. Commissioner Byram made a motion to affirm the denial of the Taxpayer's appeal. Commissioner Johnson seconded the motion. All in favor. Motion carries.

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)

Shellie Hughes, Executive Director for the Department of Taxation, reported the Department's modernization project (Project Mynt) is coming along on schedule. The vendor, FAST, has arrived on-site at the Carson City office. FAST will be visiting each office in January. These visits are scheduled in Las Vegas on January 22nd, in Reno on January 23rd and in Carson City on January 24th. The sessions are an opportunity for staff to meet with the entire Project Mynt team and to learn additional information about the project. Phase one roll out is to go live in December of 2024.

IX. Next Meeting Date: March 6, 2024.

X. Public Comment.

There was no public comment.

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

No items for future agendas were discussed.

XII. Meeting adjourned.