

NEVADA TAX COMMISSION MEETING  
MINUTES

October 5, 2020  
9:00 a.m.

Members Present:

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

Chairman DeVold called the meeting to order at 9:01 a.m.

I. Public Comment.

There was no public comment.

Director Young administered an oath to all meeting participants.

II. Meeting Minutes:

A. Consideration for Approval of the August 17, 2020 and August 27, 2020 Nevada Tax Commission Meeting Minutes.

Commissioner Brown moved to approve the meeting minutes of the August 17, 2020 and August 27, 2020 Nevada Tax Commission meetings. Commissioner Witt 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) 4 Vento LLC
  - b) Blue Dog RV of Nevada Inc.
  - c) Boulder & Lee Inc.
  - d) BTO Investments
  - e) Eastern Sunridge Heights Inc.
  - f) Eat Here LV LLC
  - g) Horizon Ridge and Lee Inc.
  - h) McClintick Farms Inc.
  - i) Merlynda & Pedro Francisco
  - j) MTO Summerlin LLC
  - k) Northern Nevada Rebar Inc.
  - l) Scott Q Hai & Zijing Tan
  - m) Smith 3E LLC
  - n) SPG Custom Picture Framing LLC
  - o) Sunset & Green Valley Inc.
  - p) Totos Inc.

- B. Waiver of Penalty and/or Interest Pursuant to NRS 360.419 that exceeds \$10,000:
  - 1) Eithan LLC
  - 2) IKEA US West Inc.
  - 3) Sierra Repair Inc.
  - 4) Tufesa USA LLC
  - 5) Eldercare Services LV LLC
  - 6) Morphe LLC
  
- C. Waiver of Penalty and/or Interest Pursuant to NRS 360.419 that exceeds \$10,000, in response to COVID-19:
  - 1) Adidas America Inc.
  - 2) Nevada AK Inc.
  - 3) International Game Technology
  - 4) Hat World Inc.
  - 5) Apple Nevada LLC
  - 6) SF Paris LLC
  - 7) IMCMV LV LLC
  - 8) Nevada Organic Remedies LLC
  - 9) CR&S Carson City LLC
  - 10) Topgolf Payroll Services LLC
  
- D. Approval of Refund/Credit Request in Excess of \$250,000:
  - 1) Corona Steel Inc.
  - 2) Siemens Medical Solutions USA Inc.
  - 3) Sunrise Mountain View Medical Center
  - 4) Nextel Systems Corp.
  - 5) Saint Mary's Regional Medical Center
  
- E. Consideration for Approval of the Recommended Settlement Agreements and Stipulations (Sales/Use Tax, Modified Business Tax and/or Commerce Tax)
  - 1) Bayshore Home Sales Incorporated
  - 2) AAA Mobile Auto Techs
  - 3) Kaiser Garage Doors & Gates
  - 4) Expertise Cosmetology Institute
  - 5) Gamblers Trading Company
  
- F. Department's Recommendation to the Commission for Approval of an Offer-In-Compromise pursuant to NRS 360.263:
  - 1) Lori Baxter
  - 2) Hector Camacho
  - 3) Sharon Watson
  - 4) Thomas Natali
  - 5) Thamer Jarjees
  - 6) Alan Lujan
  - 7) Sandra Bate
  - 8) Tesfaye Armide and Frezewd Asfaw
  - 9) Larry and Theresa Cantwell
  - 10) Kiro Micev and Inga Budaeva
  - 11) Marie Levy

Commissioner Wren pulled items F. 6) Alan Lujan; and F. 11) Marie Levy.

Commissioner Rigby pulled item D. 4) Nextel Systems Corp.

Commissioner Bersi pulled item B. 3) Sierra Repair Inc.

Commissioner Kelesis made a motion to approve the consent calendar, excluding the items pulled for further discussion (Items F. 6), F. 11), D. 4) and B. 3)). Commissioner Brown seconded the motion. All in favor. Motion carries.

Commissioner Bersi asked for further clarification regarding the information that is being approved for Item B. 3) Sierra Repair Inc. Jennifer Lewis, Audit Supervisor, was present on behalf of the Department of Taxation. Ms. Lewis stated that a waiver of penalty and interest is being requested. Commissioner Bersi made a motion to approve Item B. 3) Sierra Repair, Inc. Commissioner Wren seconded the motion. All in favor. Motion carries.

Commissioner Rigby asked for clarification on the numbers stated in the documents for Item D. 4) Nextel Systems Corp. Bill Steves, Tax Manager, was present on behalf of the Department. Mr. Steves stated \$992,083.53 is the correct number. Commissioner Rigby moved to approve Item D. 4) Nextel Systems Corp. Commissioner Lipman seconded the motion. All in favor. Motion carries.

Commissioner Wren asked for further information regarding the taxpayer's car payment and expenses for item F. 6) Alan Lujan. Adriane Roberts-Larson explained that the car payments are already set and would be difficult to change.

Commissioner Wren also asked for information regarding the taxpayer's two car payments and expenses for item F. 11) Marie Levy. Adriane Roberts-Larson was present on behalf of the Department. The Department does not have the debt fully levied on this matter.

Commissioner Wren moved to approve items F. 6) Alan Lujan and F. 11) Marie Levy. Commissioner Kelesis seconded the motion. All in favor. Motion carries.

IV. DIVISION OF LOCAL GOVERNMENT SERVICES:

- A. Consideration of Addendum to previously adopted 2021-2022 Bulletin 210- Assessment Instruction for Agricultural Land, to include Tables relating to the valuation of open-space golf course land and improvements.

Cheryl Erskine, Coordinator -Assessment Standards, was present on behalf of the Nevada Department of Taxation.

Commissioner Witt made a motion to approve the addendum to the previously adopted 2021-2022 Bulletin 210 Assessment Instructions for Agricultural Land, to include tables relating to the valuation of open-space golf course land and improvements. The motion was seconded by Commissioner Wren. All in favor. Motion carries.

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

- 1) Globe Salon LLC

Jeffrey Mitchell, Deputy Executive Director, was present on behalf of the Nevada Department of Taxation.

Tina Poff was present on behalf of the Clark County Assessor.

Commissioner Wren made a motion to approve the appeal of the taxpayer. Commissioner Kelesis seconded the motion. Commissioners Bersi and Brown opposed the motion. Motion carries.

- C. Determination and Allocation of Certification of Centrally Assessed 2021-2022 Secured and 2020-2021 Unsecured Unitary Property Valuations and Assessments pursuant to NRS 361.320, NRS 361.321 and 361.323.

Jeffrey Mitchell, Deputy Executive Director, was present on behalf of the Nevada Department of Taxation.

Sorin Popa, Supervisor of Centrally Assessed Properties, was present on behalf of the Nevada Department of Taxation.

Commissioner Rigby made a motion to approve the Certification of Centrally Assessed 2021-2022 Secured and 2020-2021 Unsecured Unitary Property Valuations and Assessments. Commissioner Lipman seconded the motion. All in favor. Motion carries.

V. COMPLIANCE DIVISION:

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

- 1) Eddie Hernandez

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

Eddie Hernandez was not present.

Commissioner Rigby moved to uphold the denial of the offer-in-compromise of Eddie Hernandez. Commissioner Witt seconded the motion. All in favor. Motion carries.

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

- 1) L Makeup Agency and Institute

Shlomo Sherman, Esq. and Kyle Waugh were present on behalf of L Makeup Agency and Institute.

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

Commissioner Witt moved to uphold the Decision of the Administrative Law Judge. Commissioner Kelesis seconded the motion. All in favor. Motion carries.

- 2) RSVP Elite LLC

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

Heather Campa was present on behalf of RSVP Elite LLC.

Commissioner Kelesis moved to approve the taxpayer's appeal and to overturn the Administrative Law Judge's Decision. Commissioner Rigby seconded the motion. Commissioner Lipman opposed the motion. Motion carries.

- 3) The Country Store

John Bartlett, Esq. and Mr. Mombaligh were present on behalf of the taxpayer.

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

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

C. Taxpayer's Request for Closed Hearing pursuant to NRS 360.247; and Department's Appeal of Administrative Law Judge's Decision pursuant to NRS 360.245 and NAC 360.175:

1) Utah Pacific Bridge & Steel, Ltd.

Louis Csoka was present on behalf of the Nevada Department of Taxation.

Nate Runyan, Esq. was present on behalf of the Taxpayer.

Mr. Runyan Esq. withdrew the taxpayer's request for a closed hearing. Louis Csoka, Deputy Attorney General, had no objection.

Commissioner Rigby moved to overturn the Administrative Law Judge's Decision. Commissioner Lipman seconded the motion. All in favor. Motion carries.

VI. 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 from the Commission.

VII. BRIEFING:

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

Melanie Young, Executive Director:

The Department piloted credit cards during the month of September. We are working on a couple of technical difficulties, but payments by credit card are available. An official announcement will be made.

We are currently working on the Tax Expenditure Report that is due to the Governor and to the Legislature on November 10<sup>th</sup>, as well as the Annual Report that is due to the Governor in January.

The Department's Economist is working with the Governor's Finance Office and LCB on revenue projections for the Economic Forum that will convene in December.

The Department will be releasing a Strategic Plan for FY 22 and FY 23 that will be released to the Department's leadership on October 16<sup>th</sup> and to all staff on October 22<sup>nd</sup>. Director Young recognized the Department's executive team for their efforts on the Strategic Plan.

We do not currently have a date for tax amnesty. There will be an announcement once the system improvements are completed.

We recently discovered an issue with Modified Business Tax as it pertains to extensions and extension requests. In 2011 there was a statutory change to NRS 360.417 that reduced the interest assessed on delinquencies from 1 percent to .75 percent. When the legislation was codified, there were sections of NRS 363A.140 and 336B.130 that were not updated. The Department incorrectly implemented the .75 based on the statutory change in NRS 360.417. We are working on a solution to correct this, and statutorily the taxpayer should be assessed 1 percent interest. The goal is not to unduly burden the taxpayer. We are currently working with our legal counsel on a solution and we will present this at the next Tax Commission meeting.

COVID-19 Update: The Department is still currently closed for walk ins, and open by appointment only. We have submitted a request of \$327,000 in CARES funding that will allow for additional equipment, sanitation supplies, social distancing equipment and PPE. The biggest part of the request is for computers to allow employees who do not have current equipment, parents with childcare issues or those parents that are instructing their children at home, to work from home.

Commissioner Rigby asked if credit card payments are available to marijuana operators.

Director Young stated that she does not believe marijuana payments are available by credit card due to federal requirements.

Commissioner Rigby shared concerns regarding the handling of that amount of cash. It is a safety issue and unsanitary.

Commissioner Lipman thanked Director Young and the staff.

VIII. Next Meeting Date: December 7, 2020

IX. Public Comment.

There was no public comment

X. Items for Future Agendas.

No items were discussed.

XI. Adjourned at 12:30 p.m.