



STATE OF NEVADA
STATE BOARD OF EQUALIZATION

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Governor

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CHRISTOPHER G.
NIELSEN
Secretary

In the Matter of)

Michele Shafe)
Clark County Assessor)
PETITIONER)

MGM Mirage Aircraft Holdings, LLC)

Account Number 1N-002756)

Whiskey Romeo Owner, LLC)

Account Number 1N-002587)

Bluebird Owner, LLC)

Account Number 1N-002904)

350 Leasing Company I, LLC)

Account Number 1N-003041)

350 Leasing Company, LLC)

Account Number 1N-002861)

450 Leasing Company I, LLC)

Account Number 1N-003378)

550 Leasing Company I, LLC)

Account Number 1N-003128)

350 Leasing Company II, LLC)

Account Number 1N-003041)

350 Leasing Company I, LLC)

Account Number 1N-002861)

550 Leasing Company I, LLC)

Account Number 1N-003128)

Bluebird Owner, LLC)

Account Number 1N-002904)

Whiskey Romeo Owner, LLC)

Account Number 1N-002587)

MGM Mirage Aircraft Holdings, LLC)

Account Number 1N-002756)

Clark County, Nevada)

RESPONDENTS)

Appeal of the Decision of the)

CLARK COUNTY)

BOARD OF EQUALIZATION)

Consolidated
Case No. 12-172

Case No. 12-167

Case No. 12-171

Case No. 12-173

Case No. 12-174

Case No. 12-175

Case No. 12-176

Case No. 11-290

Case No. 11-292

Case No. 11-295

Case No. 11-302

Case No. 11-303

Case No. 11-285

REVISED NOTICE OF DECISION

Appearances

Doug Scott, Angela Menzel, and Paul Johnson, Deputy District Attorney, appeared on behalf of the Clark County Assessor's Office (Assessor).

James Susa and Brett Rufer of Snell & Wilmer appeared on behalf of MGM Mirage Aircraft Holdings, LLC, Case No. 12-172; Whiskey Romeo Owner, LLC, Case No. 12-167; Bluebird Owner, LLC, Case No. 12-171; 350 Leasing Company I, LLC, Case No. 12-173; 350 Leasing Company, LLC, Case No. 12-174; 450 Leasing Company I, LLC, Case No. 12-175; 550 Leasing Company I, LLC, Case No. 12-176; 350 Leasing Company II, LLC, Case No. 11-290; 350 Leasing Company I, LLC, Case No. 11-292; 550 Leasing Company I, LLC, Case No. 11-295; Bluebird Owner, LLC, Case No. 11-302; Whiskey Romeo Owner, LLC, Case No. 11-303; and 11-285, MGM Mirage Aircraft Holdings (Taxpayers).

Summary

The matter of the Assessor's petitions for review of personal property valuations of aircraft for the 2010-11 Unsecured, and 2011-12 Unsecured Roll within Clark County, Nevada, came before the State Board of Equalization (State Board) for hearing in Las Vegas, Nevada, on October 17, 2012 after due notice to the Taxpayer and the Assessor.

The State Board consolidated case numbers 11-285, 11-290, 11-292, 11-295, 11-302, 11-303 as well as 12-167, 12-171, 12-172, 12-173, 12-174, 12-175, and 12-176. *See Tr., 10-17-12, p. 142, l. 21 through p. 143, l. 25.* The Assessor offered new evidence consisting of information from the Secretary of State's office showing the Taxpayer is a domestic limited-liability company based in Nevada. The State admitted the new evidence into the record. *See Tr., 10-17-12, p. 141, ll. 3-21.*

The Assessor appealed the decision of the Clark County Board of Equalization (County Board) in each case, asserting that the aircraft value was properly apportioned to Nevada by excluding the days spent in other jurisdictions where taxable situs was established from the days in the year otherwise subject to taxation. The Assessor further asserted that, as the state of domicile of the aircraft owners, Nevada is entitled to tax the taxable value of the aircraft not subject to tax in other states. The Taxpayers responded that the proper method of apportionment is the "nights in" formula previously accepted by the State Board.

The State Board requested by motion that the Nevada Tax Commission adopt regulations for the allocation of value of airplanes by county assessors. *See Tr., 10-17-12, pp. 186-187.*

The State Board, having considered all evidence, documents and testimony pertaining to the valuation of the property in accordance with NRS 361.227, hereby makes the following Findings of Fact, Conclusions of Law and Decision.

FINDINGS OF FACT

- 1) The State Board is an administrative body created pursuant to NRS 361.375.
- 2) The State Board is mandated to hear all appeals of property tax assessments pursuant to NRS 361.360 and NRS 361.400.
- 3) The Taxpayer and the Assessor were given adequate, proper and legal notice of the time and place of the hearing before the State Board, and the matter was properly noticed pursuant to the Open Meeting Law at NRS 241.020.

4) The subject properties consist of the following:

Case 12-172, SBE page 63	MGM Mirage	2001 Boeing 737-7ET, Tail #720MM
Case 12-167, SBE page 54	Whiskey Romeo	2005 Gulfstream G-IV X 350
Case 12-171, SBE page 54	BlueBird Owner LLC	2007 Gulfstream G150, Tail#969WR
Case 12-173, SBE page 60	350 Leasing Co II LLC	2007 Gulfstream AeroGIV-X, Tail #722MM
Case 12-174, SBE page 62	350 Leasing Co I LLC	2007 Gulfstream GIV XG350, Tail#723MM
Case 12-175, SBE page 60	450 Leasing Co I LLC	2008 Gulfstream GIV-XG450, Tail#728MM
Case 12-176, SBE page 60	550 Leasing Co I LLC	2007 Gulfstream GV-SP, Tail#725MM
Case 11-290, SBE page 138	350 Leasing Co II	2007 Gulfstream G-IV X
Case 11-292, SBE page 138	350 Leasing Co I	2007 Gulfstream G-IV X
Case 11-295, SBE page 137	550 Leasing Co I	2007 Gulfstream GV-SP
Case 11-302, SBE page 59	Bluebird Owner LLC	2007 Gulfstream G150
Case 11-303, SBE page 146	Whiskey Romeo	2005 Gulfstream GIV X
Case 11-285, SBE page 60	MGM Mirage	2001 Boeing 737-7ET, Tail#720MM

- 5) The Clark County Board of Equalization (County Board) determined that the proper method of allocation of value should be based on the number of overnight stays in Clark County. *See Record, Case no. 12-172, SBE pages 47 and 215.*
- 6) The State Board found the proper method of allocation of value should be based on the amount of time the aircraft is in Nevada, known as the "nights in" policy. *See Tr., 10-17-12, p. 183, l. 8 through p.184, l 24.*
- 7) The State Board affirmed the decision of the County Board. *See Tr., 10-17-12, p. 186, ll. 4-13.*
- 8) The assessed value as previously determined by the County Board is 35% of taxable value.
- 9) Any finding of fact above construed to constitute a conclusion of law is adopted as such to the same extent as if originally so denominated.

CONCLUSIONS OF LAW

- 1) The Taxpayer timely filed a notice of appeal, and the State Board has jurisdiction to determine this matter.
- 2) The Taxpayer and the Assessor are subject to the jurisdiction of the State Board. In particular, the State Board has jurisdiction to hear Taxpayer's appeal for the 2010-11 and 2011-12 unsecured rolls pursuant to NRS 361.360(1) and NRS 361.400.
- 3) The State Board has the authority to determine the taxable values in the State.
- 4) The subject property is appraised at the proper taxable value as previously determined by the County Board in accordance with NRS 361.227 for the 2010-11 and 2011-12 tax years.
- 5) Any conclusion of law above construed to constitute a finding of fact is adopted as such to the same extent as if originally so denominated.

DECISION

The Petition of the Assessor is denied, based on the above Findings of Fact and Conclusions of Law. The Clark County Comptroller is instructed to certify the assessment roll of the county consistent with this decision.

The Clark County Comptroller is instructed to certify the assessment roll of the county consistent with this decision.

BY THE STATE BOARD OF EQUALIZATION THIS 8th DAY OF FEBRUARY, 2013.



Christopher G. Nielsen, Secretary
CGN/ter