



STATE OF NEVADA
STATE BOARD OF EQUALIZATION

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DEONNE CONTINE
Secretary

In the Matter of)
)
Department of Taxation)
Local Government Services Division)
PETITIONER)
) Case No. 16-308
Papillon Airways)
RESPONDENT)

NOTICE OF DECISION

Appearances

No one appeared on behalf of Papillon Airways (Taxpayer).

Jeff Mitchell appeared on behalf of the Department of Taxation (Department).

Summary

The matter of the petition for review of property valuations for the 2014-15 Unsecured Roll for 12 Month Construction Work in Progress ("CWIP") came before the State Board of Equalization (State Board) for hearing in Carson City, Nevada, on November 20, 2015 after due notice to the Taxpayer and the Assessor.

The State Board, having considered all evidence, documents and testimony pertaining to the valuation of the property in accordance with NRS 361.321(2), 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 361.403 and NRS 361.769.
- 3) The Taxpayer and the Department 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. The Department provided evidence to show the Taxpayer

received notice of the hearing. See *Tr.*, 11-20-15, p. 40, l. 24 through p. 41, l. 1; *Record*, SBE pages 6-7.

- 4) The subject property is centrally-assessed telecommunications property, more specifically known as 12-month construction work in progress ("CWIP"). See *Record*, SBE page 3.
- 5) The State Board found the Taxpayer did not report the 12-month CWIP until after the Nevada Tax Commission had approved the unsecured tax roll, resulting in property escaping taxation; and ordered the taxable value of the 12-month CWIP be added to the 2014-2015 Unsecured Roll. The amount reported is \$383,826 as modified by the cost to value ratio resulting in a taxable value of \$310,095. See *Record*, SBE page 4; *Tr.*, 11-20-15, p. 41, ll. 9-17; p. 44, l. 18 through p. 45, l.12.
- 6) The assessed value as adjusted by the State Board is 35% of adjusted taxable value.
- 7) 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 Department timely filed a notice of appeal, and the State Board has jurisdiction to determine this matter.
- 2) The Taxpayer and the Department are subject to the jurisdiction of the State Board.
- 3) The State Board has the authority to determine the taxable values in the State.
- 4) The State Board has the authority to determine matters necessary to carry out the power conferred on the State Board by statute. *Checker, Inc. et al v. Public Service Commission*, 84 Nev. 623, 629-630, 446 P.2d 981 (1968).
- 5) The Taxpayer failed to appear at the hearing. Pursuant to NAC 361.708, the State Board proceeded with the hearing.
- 6) The State Board determined the subject property centrally-assessed airlines was not already on the 2014-2015 unsecured tax roll, and was properly classified as property escaping taxation subject to the requirements of NRS 361.769, NRS 361.325(4), and NRS 360.230. The State Board held the property escaping taxation must be placed on the tax roll. See *Tr.*, 11-20-15, p. 44, l. 18 through p. 45, l. 12.
- 7) The subject property is appraised at the proper taxable value in accordance with NRS 361.361 and 361.769 for the 2014-2015 tax year.
- 8) 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 Department is granted based on the above Findings of Fact and Conclusions of Law. The Department is instructed to correct the assessment roll by adjusting the assessed valuation of the subject property as follows:

2014-2015 Unsecured Roll

Papillon Airways Centrally Assessed Airlines	Taxable Value		Assessed Value	
	Established by Department	Revised By State Board	Established by Department	Revised by State Board
12-Month CWIP	\$0	\$310,095	\$0	\$108,500
TOTAL	\$0	\$310,095	\$0	\$108,500

The Department is instructed to certify the assessment roll of the county consistent with this decision.

BY THE STATE BOARD OF EQUALIZATION THIS 6th DAY OF JANUARY, 2016.



Deonne Contine, Secretary
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