

Nevada Tax Commission Meeting

MINUTES

GAMING CONTROL BOARD
1919 College Pkwy, Suite 100
Carson City, Nevada

VIDEO CONFERENCE

GAMING CONTROL BOARD
Grant Sawyer State Office Building
555 E Washington Avenue, Room 2450
Las Vegas, Nevada

March 9, 2015

Commission Members Present:

Ann Bersi, Commissioner
James DeVold, Commissioner
Thom Sheets, Commissioner
George Kelesis, Commissioner
Joan Lambert, Commissioner
John E. Marvel, Commissioner
Craig Witt, Commissioner

Commission Members Absent:

Robert R. Barengo, Chairman

Department of Taxation Staff Present:

Deonne Contine, Executive Director
Blake Doerr, Chief Deputy Executive Director
Paulina Oliver, Deputy Director
Bruce Bartolowits, Supervisor, Local Assessed Properties
Bonnie Duke, Supervising Auditor II
Jennifer Lewis, Auditor III
Michael Pelham, Management Analyst I
Debra Toombs, Tax Program Supervisor III
Dalia Andrade, Revenue Officer III
Ray Lummus, Tax Manager
Brenda Rubalcava, Revenue Officer III
Kathy Williams, Tax Program Supervisor II
Sherri Gadbois, Revenue Officer II
Susan Lewis, Budget Analyst II
George Hritz, Management Analyst III
Cory Roberts, Administrative Assistant IV
Jodie Gullickson, Revenue Officer II
Marina Frey, Revenue Officer II
Lizette Arceo, Revenue Officer III
Emmy Keller, Auditor II
Jairam Singh, Auditor III
Rey Magayon, Auditor II
Colleen Sawyer, Auditor II

Mary Patton, Tax Program Supervisor III
Bruce Courtney, Tax Manager
Jorge Pupo, Tax Manager
Guy Childers, Auditor III
Gerry Perry, Supervising Auditor II
Tina Padovano, Executive Assistant

Attorney General Staff Present:

Melissa Flatley, Deputy Attorney General
Vivienne Rakowsky, Deputy Attorney General
David Pope, Senior Deputy Attorney General
Alycia Hansen, Deputy Attorney General

Guests Present:

Ron Tipton, Uncle Vinny's Pizza
Elizabeth Frances, White Pine County
Sharon Rigby, Esq.
Tammi Davis, Washoe County Treasurer
Luke Welmerink, Ormat Technologies, Inc.
Phil Gustafson
Rex Massey, Lander County
Jim Wadhams, Fennemore Craig Jones Vargas
Patsy Waits, Lander County Commissioner
Daniel Ozuna, Green Air Concepts LLC
Jill Koloske

In the absence of Chairman Barengo, Commissioner Lambert chaired the meeting.

Commissioner Lambert called the meeting to order at 9:03 a.m.

Director Contine noted items III E. 2) Cross Country Motors, and V. A. 1) Chani Modi for the debts of Tangerine, Inc., dba Baja Fresh, will not be heard by the Commission at today's meeting.

Director Contine swore in the participants of today's meeting.

I. ****Public Comment.**

There was no public comment.

II. Consideration for Approval of the January 26, 2015 Nevada Tax Commission Meeting Minutes

Commissioner DeVolld made a motion to approve the January 26, 2015 Minutes as submitted. Commissioner Witt seconded the motion. Commissioner Lambert abstained. No opposed. Motion carried.

III. CONSENT CALENDAR¹:

A. Matters of General Concern:

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

- 1) H & JB Restaurant Inc.
- 2) Kuldip Chand
- 3) Mudd Ventures LLC
- 4) Write Stuff The
- 5) Custom Sign and Crane
- 6) McCaffery Family Limited Partnership
- 7) NV Memorial Estate Plans Inc.
- 8) Blind Onion Pizza & Pub LLC

2) Standard Direct Sales Organization Agreements (date as indicated):

- 1) Younique LLC
- 2) World Ventures Marketplace LLC
- 3) Asantae Inc.
- 4) Pangea Naturals Inc.
- 5) Origami Owl LLC
- 6) Hy Cite Enterprises LLC
- 7) Green Air Concepts LLC
- 8) Compelling Creations Inc.
- 9) Xengen Inc.

B. Consideration for Approval of Payment Plan Request: New Payment Plans (Sales/Use and/or Modified Business Tax):

- 1) Little Baja Garden & Design

Lizette Arceo presented for the Department of Taxation.

Commissioner DeVolld would like to see updated income and balance sheets for Little Baja Garden & Design. Commissioner DeVolld suggested Taxpayer appear at the next Nevada Tax Commission meeting.

Commissioner DeVolld made a motion to move this matter to the next scheduled Nevada Tax Commission meeting. Commissioner Witt seconded the motion. All in favor. No opposed. Motion carried unanimously.

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

- 1) Back Bar Beverage Marketing Consultants LLC
- 2) Golden Road Motor Inn Inc. d/b/a Atlantis Casino Resort Spa

D. Waiver of Penalty and Interest Pursuant to a Request on a Voluntary Disclosure (Sales/Use Tax):

- 1) Arista Networks, Inc.
- 2) Conair Corporation
- 3) Luvvitt LLC
- 4) NetRush.com, Inc.
- 5) Packsize LLC
- 6) PRL Aluminum, Inc.
- 7) PRL Glass Systems, Inc.

E. Consideration of Recommended Settlement Agreements and Stipulations (sales/use and/or modified business tax):

- 1) Krmptoc del Grosso LLC d/b/a Port of Subs
- 2) Cross Country Motors (1000825329) (Item was removed from the Agenda)

- 3) MDC Restaurants, LLC; INKA, LLC; Laguna Restaurants, LLC; and Vince F. Eupierre, as responsible person.
 - 4) Absolute Music, LLC
 - 5) AAA Air Filter Co., Inc.
 - 6) Red Rock Machinery
 - 7) Ormat Technologies, Inc. (net proceeds of minerals tax)
- F. Approval of Refund/Credit Request in Excess of \$250,000:
- 1) Bally Gaming Inc. dba Bally Technologies
- G. Approval of Proposed Audit Findings Regarding Substantial Compliance Under Economic Development Program:
- 1) Lincoln Electric Cutting Systems, Inc. d/b/a Torchmate, Inc.
- H. Approval for Authorization to Offset Pursuant to NRS 360.236:
- 1) Veris Gold U.S.A., Inc. (for possible action)

Commissioner Sheets made a motion to approve the Consent Agenda as a whole, not including Items E.2) (Cross Country Motors) and B.1) (Little Baja Garden & Design). Commissioner Kelesis seconded the motion. All in favor. No opposed. Motion carried unanimously.

IV. DIVISION OF LOCAL GOVERNMENT SERVICES:

Locally Assessed Properties Section:

- A. Taxpayer's Appeal of Treasurer's Denial of Relief from Penalty and Interest on Property Taxes Pursuant to NRS 361.4835 for Fiscal Years 2014-2015 (Washoe County):
- 1) **Maurice Hershberger**

Bruce Bartolowits was present for the Department of Taxation.
 Tammi Davis, Washoe County Treasurer, was present for Washoe County.
 Mr. Hershberger, Taxpayer, was present.

Commissioner DeVold made a motion to deny Mr. Hershberger's request. Commissioner Kelesis seconded the motion. All in Favor. No opposed. Motion carried unanimously.

B. Review and Consideration for Adoption of 2016-2017 Bulletin 205 – Assessment Instruction of Agricultural Land and Open Space Property Procedures

Bruce Bartolowits was present for the Department of Taxation.

The Department of Taxation produced the 2016-2017 Bulletin 205 – Assessment Instruction of Agricultural Land and Open Space Property Procedures which was provided to the Commission. A survey was sent to all Agricultural property owners.

Commissioner Witt made a motion to approve the 2016-2017 Bulletin 205 – Assessment Instruction of Agricultural Land and Open Space Property Procedures. Commissioner Sheets seconded the motion. All in favor. Motion carried unanimously.

C. Review and Consideration for Approval of Exemption(s) as authorized under NRS 361.068(2) where Administrative Costs Exceed Revenue from Tax on Personal Property

Bruce Bartolowits was present for the Department of Taxation.

Material was provided to the Commission.

Commissioner Witt made a motion to approve the exemptions as authorized under NRS 361.068(2). Commissioner DeVolld seconded the motion. All in favor. No opposed. Motion carried.

D. Review and Consideration for Approval of the Manual of Rural Building Costs for 2016-2017

Bruce Bartolowits was present for the Department of Taxation.

Two Manuals of Rural Building Costs for 2016-2017 were provided and reviewed by the Commission.

Commissioner Witt made a motion to approve both Manuals of Rural Building Costs for 2016-2017. The motion was seconded by Commissioner Sheets. All in favor. No opposed. Motion carried unanimously.

E. Discussion and Consideration of Removal from Supplemental City – County Relief Tax Guaranteed Status pursuant to NRS 377.057(2):

- 1) **Lander County**
- 2) **White Pine County**
- 3) **Storey County**

Michael Pelham was present for the Department of Taxation. Storey County has requested to be removed from guaranteed status.

Mr. Massey appeared before the Commission for Lander County.

Commissioner DeVolld made a motion to approve Lander County's request to remain on guaranteed status. Commissioner Marvel seconded the motion. All in favor. No opposed. Motion carried unanimously.

Gary Perea, Chairman of White Pine County Commission, was present for White Pine County. Elizabeth Frances presented for White Pine County.

Commissioner Marvel made a motion to approve White Pine County's request to remain on guaranteed status. Commissioner Witt seconded the motion. All in favor. No opposed. Motion carried unanimously.

Storey County withdrew their request to remain on guaranteed status.

Commissioner Marvel made a motion to remove Storey County from guaranteed status. The motion was seconded. All in favor. No opposed. Motion carried unanimously.

V. COMPLIANCE DIVISION:

- A. Taxpayer's Appeal of Hearing Officer's Decision regarding Responsible Person Determination:
- 1) **Chani Modi for the debts of Tangerine, Inc., dba Baja Fresh** (Item was Removed from the Agenda)
- B. Taxpayer's Appeal of Hearing Officer's Decision including Consideration and Approval of Settlement Agreement or Reinstatement of Briefing Schedule (Sales/Use Tax):
- 1) **Production Pattern & Foundry Co., Inc.**

Andrea Nichols, Deputy Attorney General, appeared for the Department of Taxation. Ms. Nichols reported that a Settlement Agreement and Withdrawal of Appeal has been finalized.

A motion was made by Commissioner DeVold to approve the Settlement Agreement and Withdrawal of Appeal. Commissioners Witt and Kelesis seconded the motion. All in favor. No opposed. Motion carried unanimously.

- A. Review and Consideration of Tax Commission's Prior Order (Appeal of Hearing Officer's Decision of Lock and Seal)
- 1) **Uncle Vinny's Pizza Corp.**

Melissa Flatley, Deputy Attorney General, appeared for the Department of Taxation. Ms. Flatley reported Uncle Vinny's Pizza Corp. would like to amend their monthly payment.

Mr. Tipton appeared for Uncle Vinny's Pizza Corp.

Commissioner Kelesis made a motion to approve the amended payment plan, he asked that there be a twelve (12) month review, and that the lock and seal remain in place. Commissioner Marvel seconded the motion. All in favor. No opposed. Motion carried unanimously.

VI. COMPLIANCE DIVISION:

- A. Informational Items:
- 1) Penalty and Interest Waivers granted by the Department for Sales/Use Tax, Modified Business Tax and Excise Tax (dates as indicated).

Material was submitted to the Commissioners for review.

- 2) Approval and Denial Status Report Log for Organizations Created for Religious, Charitable or Educational Purposes (dates as indicated) (Sales/Use Tax Exemption).

Material was submitted to the Commissioners for review.

VII. BRIEFING:

- A. Briefing to/from the Commission and the Executive Director.

Director Contine reported for the Department of Taxation. The Department of Taxation has asked for a \$4M enhancement to the budget. The Department is asking for a reclassification of Auditor III

positions due to difficulty of filling this position. The Department is asking for an IT Officer who will be responsible for security software updates and an additional Auditor.

There were no questions.

VIII. Next Meeting Date: May 11, 2015

IX. **Public Comment

There was no public comment.

X. Items for Future agendas

No items were mentioned for future agendas.

XI. Adjourn

The meeting adjourned 10:25 a.m.