

NEVADA TAX COMMISSION MEETING
MINUTES

Nevada Legislative Building
401 S. Carson Street, Room 2135
Carson City, Nevada

Legislative Counsel Bureau
Grant Sawyer State Office Building
555 E. Washington Ave., Room 4412
Las Vegas, Nevada

October 2, 2017
9:00 a.m.

Members Present:

James DeVold, Chairman
Tony Wren, Commissioner
Craig Witt, Commissioner
George Kelesis, Commissioner
Thom Sheets, Commissioner
Ann Bersi, Commissioner (Via telephone)
Francine Lipman, Commissioner
John Marvel, Commissioner

Chairman DeVold called the meeting to order at 9:04 a.m. and requested the first item of business. Chairman DeVold stated that we are all thinking about our friends and family, and people impacted by this terrible event in Las Vegas. We want you to know that we are thinking of you.

Director Contine administered an oath to all meeting participants.

I. Public Comment.

There was no public comment

II. Consideration for Approval of the August 14, 2017 Nevada Tax Commission Meeting Minutes.

Commissioner Sheets made a motion to approve the minutes of the August 14, 2017 Nevada Tax Commission meeting. Commissioner Wren seconds. All in favor. Motion carries.

III. CONSENT CALENDAR:

A. Matters of General Concern:

- 1) Bonds Administratively Waived (dates as indicated) (Sales/Use Tax):
 - a) Ninja LLC
 - b) Body Jewelry Company – Nevada
 - c) KH Inc.
 - d) 4 M Promotions Inc.

- e) John McGinty
- f) Golden Valley Pizza LLC
- g) Repair Parts Central LLC
- h) Cornell & Company Inc.
- i) Chaudhry Stores Inc.
- j) Wingmama Inc.

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

- 1) Cyanco Company LLC
- 2) Conners Inc.
- 3) J & M Sales, Inc.
- 4) Nevada Bagels LLC
- 5) Dimension Data North America, Inc.
- 6) First Solar Electric, LLC
- 7) Quality Mechanical Contractors LLC
- 8) Coach Leasing Inc.
- 9) Icon Newco Pool 3 Nevada LLC
- 10) Rush Hour, Inc.
- 11) Power Systems Manufacturing LLC
- 12) Quotient Technology, Inc.
- 13) Ross Dress For Less, Inc.
- 14) Diamond Resorts International Club, Inc.
- 15) The Chemours Company FC LLC
- 16) LOGO Apparel

C. Approval of Refund/Credit Request in Excess of \$250,000:

- 1) Health Care Partners of Nevada
- 2) Costco Wholesale Corporation
- 3) Target Corporation
- 4) Penn Mutual Life Insurance Company
- 5) Prudential Insurance Co. of America
- 6) Gate Gourmet, Inc.

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

- 1) Digital Cinema Distribution Coalition LLC
- 2) NEC Display Solutions of America, Inc.
- 3) Seiko Optical Products of America, Inc.
- 4) Rollier Hardware, Inc.
- 5) P&F USA Inc.
- 6) Hattori Hanzo Shears, Inc.
- 7) Fuchs Lubricants Co.
- 8) Automated Systems Design, Inc.
- 9) Picsolve, Inc.

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

- 1) Auto Mart LLC

- 2) RTR Motorsports, LLC
- 3) Mitchell S. Greif, Individually, and as a former Managing Member of Coast Poly LLC; Roger Lampert, Individually, and as a former Member of Coast Poly LLC; and Coast Poly LLC

Commissioner Witt requested the Settlement Agreement of RTR Motor Sports, LLC (Item III. E. 2) be pulled from the consent calendar for further discussion.

Commissioner Sheets made a motion to approve the consent calendar, excluding Item III. E. 2. Commissioner Bersi seconds. All in favor. Motion carries.

Commissioner Witt requested further information on the Settlement Agreement of RTR Motor Sports, LLC and asked if the Taxpayer is repeating the same kind of issue with the drift cars.

Andrew Glendon, Esq. was present on behalf of the Taxpayer.

David Pope, Senior Deputy Attorney General, was present on behalf of the Department of Taxation. Mr. Pope stated he does not believe the drift cars are on the Department's radar and he is not sure if the Department will audit this at some point.

Commissioner Witt moved to approve the Settlement Agreement of RTR Motor Sports, LLC. Commissioner Kelesis seconds. All in favor. Motion carries.

IV. DIVISION OF LOCAL GOVERNMENT SERVICES:

A. Local Government Services

- 1) Adoption of addendum to previously adopted 2018-2019 Bulletin 207 – Assessment instruction for agricultural land, to include tables relating to the valuation of open-space golf course land and improvements.

Chuck Bailey, Supervisor – Local Assessed Properties, was present on behalf of the Department of Taxation. Mr. Bailey stated there was a small error with the base number for the 2004 year and confirmed that the commissioners have received the revised version.

Commissioner Wren asked about the process for market support to test the information.

Chuck Bailey explained the process under the Nevada Administrative Code.

Commissioner Witt motioned to adopt the addendum to the previously adopted 2018-2019 Bulletin 207 – Assessment instruction for agricultural land, to include tables relating to the valuation of open-space golf course land and improvements. Commissioner Wren seconds. All in favor. Motion carries.

B. Centrally Assessed Property Section

- 1) Determination and Allocation of Certification of Centrally Assessed 2018-2019 Secured and 2017-2018 Unsecured Unitary Property Valuations and Assessments pursuant to NRS 361.320, NRS 361.321 and 361.323.

Jeff Mitchell, Supervisor – Centrally Assessed Properties, was present on behalf of the Department of Taxation.

Commissioner Marvel asked if there was any controversy.

Mr. Mitchell stated the evaluations were sent out in March. There is no controversy at this time.

Commissioner Sheets motioned to approve the Certification of Centrally Assessed 2018-2019 Secured and 2017-2018 Unsecured Unitary Property Valuations and Assessments pursuant to NRS 361.320, NRS 361.321 and 361.323. Commission Witt seconds. All in favor. Motion carries.

V. COMPLIANCE DIVISION:

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

- 1) Tyronda and Jerry J. Weinert

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

Tyronda Weinert, Taxpayer, was present.

Commissioner Kelesis moved to approve the Offer-In-Compromise of Tyronda and Jerry Weinert. Commissioner Lipman seconds. All in favor. Motion carries.

- 2) Ronald L. Paugh

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

Commissioner Wren stated he knows Mr. Harris from Sports West. There is no conflict.

Ronald Paugh, Taxpayer, was present.

Steve Harris, Esq. was present on behalf of the Taxpayer.

Commissioner Lipman mentioned an amended tax return that will generate an \$11,000 tax receivable.

Mr. Harris suggested that the Taxpayer make the \$11,000 refund as a payment toward the Offer-In-Compromise. Mr. Harris stated it can be paid within the next ten (10) days.

Commissioner Lipman made a motion to approve the Offer-In-Compromise of Ronald Paugh with the modification of a commitment to pay \$11,000. Commissioner Witt seconds. All in favor. Motion carries.

3) Eddie D. Heiner

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

Eddie D. Heiner, Taxpayer, was present.

Commissioner Lipman made a motion to approve the Offer-In-Compromise of Eddie D. Heiner. Commissioner Bersi seconds. All in favor. Motion carries.

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

1) Dwight M. Chornomud

Shandon Snow, Revenue Officer III, was present on behalf of the Department of Taxation.

The Taxpayer was not present.

Commissioner Witt made a motion to deny the Offer-In-Compromise of Dwight Chornomud. Commissioner Lipman seconds. All in favor. Motion carries.

C. Petition for Reconsideration of Department's Denial of Exemption Status for Organization Created for Religious, Charitable or Educational Purposes pursuant to NRS 372.3261 (Sales/Use Tax):

1) The Kingdom of Chen

Andrea Nichols, Senior Deputy Attorney General, was present on behalf of the Department.

Commissioner Witt made a motion to support the denial of the Department. Commissioner Sheets seconds. All in favor. Motion carries.

D. Discussion and possible approval of Technical Bulletin 17-0002 – Veterinarian Transactions

Shellie Hughes, Chief Deputy Executive Director, presented Technical Bulletin 17-0002 on behalf of the Department of Taxation.

Commissioner Marvel made a motion to approve Technical Bulletin 17-0002. Commissioner Lipman seconds. Commissioner Witt opposed. Motion carries.

VI. Informational Items:

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

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

VII. BRIEFING:

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

Deonne Contine, Executive Director of the Department of Taxation, stated there has been a lot of media recently regarding the Department's collections for both the retail tax and wholesale tax for the sale of marijuana. The Department collected \$3.7 million for the month of July without a fully functioning network. The Supreme Court will be hearing oral arguments tomorrow at the Boyd School of Law. Since the last hearing, we did license some non-369 licenses. I believe the number of licensed distributors is now in the twenties.

With regard to social lounges, which have also been a hot topic in the media, LCB issued an opinion basically saying local governments have authority. The Department has requested an opinion from the Attorney General. We have asked for guidance so that we can tell our licensees what they can and cannot do.

We are still working on getting the distribution perfect. We are now in the permanent regulation process. We have held eight workshops. The regulations are at LCB now and we are hoping to be ready to adopt them sometime close to the first of the year.

VIII. Next Meeting Date: December 4, 2017

IX. Public Comment

There was no public comment.

X. Items for Future Agendas.

Now items were discussed.

XI. Adjourned at 9:51 a.m.