

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

August 15, 2016  
9:00 a.m.

Members Present:

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

Chairman DeVold called the meeting to order at 9:08 a.m.

Director Contine administered an oath to all parties testifying at today's meeting.

I.       \*\*Public Comment

Anna Thornley of the Nevada Taxpayer's Association thanked the Commission and the Department for their work in implementing the Commerce Tax. Ms. Thornley expressed concerns regarding the required social security numbers and stated that NRS 239(b) clearly states the Department does not have the authority to collect social security numbers. Ms. Thornley believes that the Commission is looking for a contact person, not a responsible person as defined by law. Ms. Thornley's third concern is the newly added checkbox at the bottom of the page regarding filing a new form if there are any changes. Ms. Thornley thought that this form was only to be filed one time.

There were no further public comments.

II.       Consideration for Approval of the June 27, 2016 Nevada Tax Commission Meeting Minutes.

Commissioner Witt made a motion to approve the Minutes of the June 27, 2016 Nevada Tax Commission Meeting. Commissioner Wren 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) Bangkok 9 LLC
  - b) Attashian Enterprises LLC

- c) Abuelas Tacos LLC
  - d) Urban Chic West
  - e) Parmar Foods Inc.
  - f) The Big Cheeze LLC
  - g) Prest Corporation
- B. Waiver of Penalty and/or Interest Pursuant to NRS 360.419 that exceeds \$10,000:
- 1) Big Guys Pizza Co. Inc.
  - 2) Flower Bucket, Inc.
  - 3) GameStop Inc.
  - 4) Grand Siena LLC
  - 5) Nevada State Bank
  - 6) Patrick's Signs Inc.
  - 7) Petsmart Inc.
  - 8) Player's Lounge Inc.
  - 9) Public House Las Vegas LLC
  - 10) Purple Sage LLC
- C. Approval of Refund/Credit Request in Excess of \$250,000:
- 1) Solar City Corporation
  - 2) Rebel Oil Co., Inc.
- D. Consideration for Approval of Payment Plan Request: New Payment Plans (Sales/Use and/or Modified Business Tax):
- 1) SVCLV LLC
- E. Approval of Proposed Audit Findings Regarding Substantial Compliance Under Economic Development Program:
- 1) 2K Vegas Inc.
  - 2) Innovative Drive Corporation
- F. Waiver of Penalty and Interest Pursuant to a Request on a Voluntary Disclosure (Sales/Use Tax):
- 1) Telkonet Inc.
  - 2) Tesmec USA Inc.
  - 3) The Lab by Labottega LLC
  - 4) QQuest Software Systems Inc.
  - 5) Academy Fire Protection Inc.
  - 6) Academy Fire Protection LLC
  - 7) BlueRigger LLC
  - 8) Coronado Surgery Center LLC
  - 9) eSecuritel Holdings LLC
  - 10) Exxel Outdoors LLC
  - 11) Huawei Device USE Inc.
  - 12) Klondex Gold and Silver Mining
  - 13) Klondex Midas Operations Inc.
  - 14) La Bottega Dell'Albergo USA Inc.
  - 15) Nevada Water Solutions Joint Venture
  - 16) NextLevel Association Solutions
  - 17) Sonos Inc.
- G. Consideration for Approval of the Recommended Settlement Agreements and Stipulations (sales/use and/or modified business tax)

1) Barclays Services, LLC

Commissioner Bersi requested to pull items III. F. 3) The Lab by Labottega LLC and III. F. 7) BlueRigger LLC due to a concern of outstanding tax returns.

Commissioner Marvel made a motion to approve the consent portion of the agenda as a whole, excluding the items pulled by Commissioner Bersi. Commissioner Lipman seconded the motion. All in favor. Motion carries.

Terri Upton, Supervising Auditor, was present on behalf of the Department of Taxation regarding voluntary disclosure items III. F. 3) The Lab by Labottega LLC and III. F. 7) BlueRigger LLC. Ms. Upton explained that these taxpayers are allowed to file tax returns quarterly as opposed to monthly and the delinquent returns will be updated. Ms. Upton assured the Commission that all taxes have been reported during the voluntary disclosure period.

Commissioner Bersi made a motion to approve items III. F. 3) The Lab by Labottega LLC and III. F. 7) BlueRigger LLC. Commissioner Marvel seconded the motion. All in favor. Motion carries.

IV. COMPLIANCE DIVISION:

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

- 1) Joyce Chowdhury fdba Traditional Pizza
- 2) Joyce Chowdhury, Jewel Enterprises, Ltd.

Items IV. A. 1) Joyce Chowdhury fdba Traditional Pizza; and 2) Joyce Chowdhury, Jewel Enterprises, Ltd. were combined and heard together.

Lizette Arceo, Tax Program Supervisor II, was present on behalf of the Department.

The Taxpayer was not present.

Commissioner Kelesis moved to approve the Offer in Compromise of Joyce Chowdhury. Commissioner Wren seconded the motion. All in favor. Motion carried.

- 3) Mohammed High, fdba Traditional Pizza
- 4) Mohammed High, Jewel Enterprises, Ltd.

Items IV. A. 3) Mohammed High, fdba Traditional Pizza; and 4) were combined and heard together.

Lizette Arceo, Tax Program Supervisor II, was present on behalf of the Department.

The Taxpayer was not present.

Commissioner Kelesis moved to approve the Offer in Compromise of Mohammed High. Commissioner Witt seconded the motion. All in favor. Motion carries.

5) Samantha Badgley

Kathy Fey, Revenue Officer III, was present on behalf of the Department.

Samantha Badgley, Taxpayer, was present.

Commissioner Kelesis moved to approve the Offer in Compromise of Samantha Badgley. Commissioner Lipman seconded the motion. 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) Carol S. Howes and Lawrence F. Ward

Lizette Arceo, Tax Program Supervisor II, was present on behalf of the Department.

Geraldine Tomich, Esq. was present on behalf of the Taxpayer.

Commissioner Marvel moved to uphold the denial of the Department of Taxation. Commissioner Witt seconded the motion. 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) Community Miracles Center

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

Reverend Tony Ponticello and Assistant Reverend Kelly Hallock of Community Miracles Centers, Taxpayers, were present.

Commissioner Kelesis made a motion to uphold the denial of the Department of Taxation. Commissioner Bersi seconded the motion. All in favor. Motion carries.

2) Discussion and possible action regarding Technical Bulletins:

- 1) Tax Bulletin MBT 16-0005 Employee Leasing Modified Business Tax

Shellie Hughes, Chief Deputy Executive Director, was present on behalf of the Department.

Ms. Hughes reviewed the process of technical bulletins for the Commissioners and gave an overview of Tax Bulletin MBT 16-0005 to the Commission.

Commissioner Witt moved to approve Tax Bulletin MBT 16-0005. Commissioner Marvel seconded the motion. All in favor. Motion carries.

- 2) Tax Bulletin SUT 16-0006 Veterinarian Transactions

Shellie Hughes presented Tax Bulletin SUT 16-0006 for the Commission.

Commissioner Lipman suggested an Amendment with regard to clarifying the example with a subtotal for taxable and adding the tax rate. Commissioner Lipman believes this will make it more user friendly.

Commissioner Lipman made a motion to approve Tax Bulletin 16-0006 with the suggested amendments. Commissioner Bersi seconded the motion. All in Favor. Motion carries.

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

VI. Discussion and Consideration of having one Nevada Tax Commission meeting a year where all members meet in the same location.

The Commission agreed that they would like to hold a joint Tax Commission meeting in one location annually.

VII. Discussion and Consideration of strict deadline for submission of all Nevada Tax Commission meeting materials.

The Commission agreed that all Tax Commission meeting material shall be submitted to the Department fourteen (14) days prior to the meeting. The complete meeting material shall be supplied to the Commission ten (10) days prior to the Tax Commission meeting.

VII. BRIEFING:

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

Director Contine announced that today is the day the Commerce Tax is due. Director Contine is very proud of the Department and the work that has been done.

Director Contine also mentioned the possible implementation of the marijuana tax as a potential future project for the Department and the Commission.

VIII. Next Meeting Date. October 3, 2016

IX. \*\*Public Comment

There was no public comment.

X. Items for Future Agendas.

No future agenda items were discussed.

XI. Meeting adjourned at 10:29 a.m.