

**Nevada Tax Commission Meeting**

**Meeting Minutes**

NEVADA DEPARTMENT OF TAXATION  
1550 College Parkway  
Carson City, NV 89706

NEVADA DEPARTMENT OF TAXATION  
Kietzke Plaza  
4600 Kietzke Lane, Building L, Ste. 235  
Reno, NV 89502

NEVADA DEPARTMENT OF TAXATION  
2550 Paseo Verde Parkway, Ste. 180  
Henderson, NV 89074

July 6, 2015  
1:00 p.m.

**Commissioners Present:**

Robert R. Barengo, Chairman  
Craig Witt, Commissioner  
John Marvel, Commissioner  
Joan Lambert, Commissioner (via telephone)  
George Kelesis, Commissioner (via telephone)  
Thom Sheets, Commissioner (via telephone)  
James DeVold, Commissioner (via telephone)  
Ann Bersi, Commissioner (via telephone)

**Department of Taxation Staff Present:**

Deonne Contine, Executive Director  
Cory Roberts, Administrative Assistant IV  
Terry Rubald, Deputy Director – LGS  
Ray Lummus, Tax Manager  
Sumiko Maser, Deputy Director – Administration  
Mary Patton, Tax Program Supervisor III  
Paulina Oliver, Deputy Director – Compliance  
Jorge Pupo – Tax Manager  
Bruce Courtney – Tax Manager

**Guests and Taxpayers Present:**

Stacey Roberts – Eide Bailly LLP  
Mike Klaich – Eide Bailly LLP  
Robert Armstrong – McDonald Carano  
Adam Plain – Ferrari Public Affairs  
Barbara Smith Campbell – The Ferraro Group  
Jamie Lynn Rodriguez – Lewis Roca Rothberger  
Jeff Renik – Boacon Trust Company  
Paul Enos – The Nevada Trucking Association  
Jason Hildebrand – The Nevada Trucking Association  
Tray Abney – The Chamber  
David Turner – Turner Loy & Co., LLC

Mark Gordon – Yellow Checker Star Taxi  
Sam Stone – Kkolt Reno  
Chad Konrad – Hard Rock Hotel  
Jeff Payson – Clark County Assessor  
Jim Wadhams – Fennemore Craig  
Doug Scott  
Gary Milliker – AGC  
Jeff Cooper – Bradshaw Smith CPA  
Virginia Valentine – NRA  
Carole Vilaro – NTA  
Edgar Patino – NV Energy  
Jeff Payson – Clark County Assessor’s Office  
Doug Scott – Clark County Assessor’s Office  
Ray Bacon – Manufacturers Association

The meeting was called to order at 1:00 p.m. by Chairman Barengo.

- I. \*\*Public Comment – In consideration of others, who may also wish to provide public comment, please avoid repetition and limit your comments to no more than five (5) minutes. There was no public comment.

There was no public comment.

- II. Discussion and overview of the 78<sup>th</sup> Session of the Nevada Legislature related to the tax legislation enacted that impacts the Department of Taxation (the “Department”).

The Department’s tentative timeline was distributed as material for today’s meeting.

**Passenger Transportation Tax:**

Director Contine reported that AB175 and AB176 are in relation to taxicabs. SB376 transfers the administration of a 3% tax on all fares which include service charges.

The Nevada Tax Commission (the “Commission”) adopted an Emergency Regulation on June 25, 2015. We are planning to initiate the permanent rulemaking process. A workshop is scheduled on July 24, 2015.

The effective date for the taxicabs is August 28, 2015. The Department is requiring the first return to be due on October 31, 2015.

**Live Entertainment Tax (“LET”):**

SB266 pertains to the LET. Director Contine reported that the LET now includes outdoor concerts. The Department is not responsible for the outdoor concerts held at gaming venues.

Legal escorts, as long as they do not advertise sex, are now included in the LET. The Department of Taxation is trying to obtain as much information as possible regarding this matter.

Director Contine added that exempt 501(c) organizations will become taxable if more than 7,500 tickets are sold. If the live entertainment provided is by patrons, the event becomes taxable if over 15,000 tickets are sold.

**Commerce Tax:**

Director Contine reviewed the new Commerce Tax and some deductions that affect potential taxpayers.

The Commerce Tax affects companies whose Nevada gross revenue exceeds \$4,000,000.

NAICS codes are currently in use by the Department if there is a Sales and Use Application on file. If a company registers their company with the Secretary of State, they are required to use a NAICS code. There will be a process developed for businesses to change their NAICS code. The NAICS codes will be addressed by regulation.

**Modified Business Tax (“MBT”):**

Commissioner Bersi asked about the tax credit toward the modified business tax.

Businesses that are subject to the Commerce Tax will be entitled to a credit toward their MBT liability equal to fifty percent (50%) of their Commerce Tax liability beginning the first quarter after the first payment of the Commerce Tax is made. They have four (4) quarters to use up the fifty percent (50%) credit.

Chairman Barengo asked about forms and regulations and if the commissioners will be able to see these items.

Director Contine answered yes, and suggested the Department will get ideas from the public and LCB at July 7, 2015 workshop, and then prepare a draft.

**Click Thru Nexus:**

Commissioner Lambert had a questions regarding AB380. She would like to know who this will apply to.

Director Contine and Deputy Director Oliver reported on AB380. There are two sections of AB380 that will affect out-of-state retailers. AB380 creates nexus for an out-of-state retailer that has a member with physical presence in Nevada. AB380 also creates nexus if an out-of-state retailer enters into an agreement with an in-state retailer.

- III.     \*\*Public Comment – In consideration of others, who may also wish to provide public comment, please avoid repetition and limit your comments to no more than five (5) minutes.

Ray Bacon from the Manufacturing Association stated that a lot of manufacturing sells products out-of-state through distribution. Are we going to attempt to tax GE products that are sold through distribution? Will this be a taxable event? Mr. Bacon feels this was not resolved during the Legislative Session.

Chairman Barengo stated this will be brought to and reviewed in the regulatory process.

Carol Vilardo stated there are a lot of changes to the MBT. Ms. Vilardo encouraged all commissioners to be present at all meetings. Having the commissioners available will give the expertise needed. Ms. Vilardo has some concerns regarding UBER.

Director Contine mentioned the filing of the Emergency Regulation, and stated the Department will be holding a workshop on July 24, 2015.

Barbara Smith Campbell suggested that the commissioners volunteer to attend the workshops. Ms. Smith Campbell suggested that in the past, commissioners that had expertise in the workshop subject would attend the workshops.

David Turner agreed with Ms. Vilardo and Ms. Smith Campbell. Mr. Turner stated there is a difference of providers and care facilities. Mr. Turner mentioned he has clients that this is a problem for. Some facilities have surgery facilities and a medical practice in the same building. Some hospitals also fall into this category.

There was no other public comment.

IV. Adjournment at 1:59 p.m.