

Nevada Tax Commission Meeting

Meeting Minutes

SILVER STATE INSURANCE EXCHANGE
2310 S. Carson Street, Ste. 2
Carson City, NV 89701

SILVER STATE INSURANCE EXCHANGE
150 N. Stephanie, Ste. 100
Henderson, NV 89074

June 25, 2015
9:00 a.m.

Commission Members Present:

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

Commission Members Absent:

Robert R. Barengo, Chairman

Department of Taxation Staff Present:

Sumiko Maser, Deputy Director - Administration
Paulina Oliver, Deputy Director – Compliance
Terry Rubald, Deputy Director – Local Government Services
Bruce Bartolowits, Supervisor - Local Assessed Properties
Debra Toombs, Tax Program Supervisor III
Ray Lummus, Tax Manager
Kathy Williams, Tax Program Supervisor II
George Hritz, Management Analyst III
Cory Roberts, Administrative Assistant IV
Lizette Arceo, Revenue Officer III
Mary Patton, Tax Program Supervisor III
Bruce Courtney, Tax Manager
Jorge Pupo, Tax Manager
Shandon Snow, Revenue Officer II
Marian Singleton, Revenue Officer III
Jo Lynn Smith, Tax Program Supervisor II
Guy Childers, Supervising Auditor II
Bill Farrar, Budget Analyst II
Kelly Langley, Budget Analyst III
Tina Padovano, Executive Assistant

Attorney General Staff Present:

Melissa Flatley, Deputy Attorney General
Vivienne Rakowsky, Deputy Attorney General
Jennifer Crandell, Special Counsel

Gina Sessions, Chief Deputy Attorney General

Guests and Taxpayers:

Tammi Davis – Washoe County Treasurer’s Office
Linda Jacobs – Washoe County Treasurer’s Office
Scott Clark
John Maddox – Caesars Entertainment
Jamie Rodriguez – Lewis Roca Rothgerber
Matthew Boch – Caesars Entertainment
Arthur Rosen – Caesars Entertainment
Lizette Korman – Little Baja
Jeff Korman – Little Baja
Robert Poole – Rich Linn
Mark Rich – Rich Linn
Tom Woolbright – The Tack Shack
Richard Vallari, CPA
Sandra Shaw – Just for Show
David Schroeder – Little Baja
Paul San Filipino
Peter Rineto
Kristina Kleist – Cooper Levenson
James R. Cox – (via telephone)

The meeting was called to order at: 9:02 a.m. by Chairman Lambert.

Sumiko Maser administered an oath to all meeting participants.

- 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.

- II. Consideration for Approval of the May 11, 2015 Nevada Tax Commission Meeting Minutes.

Commissioner DeVolld made a motion to approve the May 11, 2015 Nevada Tax Commission Meeting Minutes. Commissioner Witt seconded the motion. All in favor. Motion carried unanimously.

III. CONSENT CALENDAR:

A. Matters of General Concern:

- 1) Bonds Administratively Waived (dates as indicated) (Sales/Use Tax):
 - 1) Rocks Consign Furniture LLC
 - 2) S & S Park Inc.
 - 3) Sheldon Walther
 - 4) J&M Management LLC
 - 5) Temperature Equipment Incorporated
 - 6) Everitt Enterprises Inc.
 - 7) Las Vegas Bistro LLC
 - 8) Spa and Sauna Co LLC
 - 9) Balvinder Kaur

- 10) LV Store Inc.
 - 11) The Good Dog Food Company
 - 12) Sahara Automotive Partners LLC
 - 13) Sahara Automotive Partners II LLC
 - 14) FB Lake Tahoe LLC
- B. Consideration for Approval of Payment Plan Request: New Payment Plans (Sales/Use and/or Modified Business Tax):
- 1) Little Baja Garden & Design
 - 2) Rich Linn Inc.
- C. Waiver of Penalty and/or Interest Pursuant to NRS 360.419 that exceeds \$10,000:
- 1) Allied Nevada Gold Corp
 - 2) Albertsons LLC (MBT)
 - 3) Albertsons LLC (SUT)
 - 4) RT Motorsports
 - 5) ATM II Incorporated
 - 6) Just for Show
- D. Consideration for Approval of the Recommended Settlement Agreements and Stipulations (sales/use and/or modified business tax):
- 1) JZL Designs Inc.
 - 2) NTS Mikedon LLC
- E. Waiver of Penalty and Interest Pursuant to a Request on a Voluntary Disclosure (Sales/Use Tax):
- 1) Fathead, Inc.
 - 2) LDR Spine USA, Inc.
 - 3) Make Retail LLC
 - 4) OrvaDirect.com, LLC
 - 5) Pinnacle Exhibits, Inc.
 - 6) Zinwave Limited
- F. Waiver of Penalty and Interest Pursuant to a Request on a Voluntary Disclosure (Insurance Premium Tax):
- 1) Caesars Growth Properties Holdings, LLC
 - 2) Caesars Entertainment Corp.
- G. Approval of Refund/Credit Request in Excess of \$250,000:
- 1) Amerigroup Nevada Inc.
 - 2) CSAA General Insurance Company

Commissioner DeVolld requested Item III. B. 1) Little Baja be pulled from the Consent Calendar for discussion.

A motion was made by Commissioner Sheets to approve the Consent Calendar as a whole, with the exception of Item III. B. 1) Little Baja. The motion was seconded by Commissioner DeVolld. All in favor. No opposed. Motion carries unanimously.

Lizette Korman and Jeff Korman from Little Baja, Taxpayer, were present in Las Vegas. Mr. Schroeder, CPA, was also present for the Taxpayer.

Commissioner DeVold made a motion to approve Item III. B. 1) Little Baja. Commissioner Sheets seconded the motion. All in favor. No opposed. Motion carried unanimously.

IV. DIVISION OF LOCAL GOVERNMENT SERVICES:

Local Government Finance Section:

- A. Certification of Ad Valorem Tax Rates for Fiscal Year 2015-2016 pursuant to NRS 361.4547

Kelly Langley, Budget Analyst III, was present for the Department of Taxation.

There were no questions from the Commission.

A motion was made to approve the Certification of Ad Valorem Tax Rates for Fiscal Year 2015-2016 pursuant to NRS 361.4547 by Commissioner Marvel. The motion was seconded by Commissioner Witt. All in favor. No opposed. Motion carried.

- B. Review and Consideration of Approval on the Renewal of the Residential Construction Tax:
1) Douglas County School District

Terry Rubald, Deputy Director of Local Government Services, was present for the Department of Taxation.

There were no questions by the Commission.

Commissioner Sheets made a motion to approve the renewal of the Residential Construction Tax for Douglas County. Commissioner Bersi seconded the motion. All in favor. No opposed. Motion carried.

Locally Assessed Properties Section:

- C. Discussion and Consideration for Approval of the 2016-2017 Improvement Factor Study

Bruce Bartolowitz, Tax Program Supervisor III, was present for the Department of Taxation.

There were no questions by the Commission.

Commissioner Marvel made a motion to approve the 2016-2017 Improvement Factor Study. Commissioner Witt seconded the motion. All in favor. No opposed. Motion carried.

- D. Taxpayer's Appeal of the Treasurer's Denial of Waiver of Penalty and Interest per NRS 361.4835 for Fiscal Year 2014 - 2015 (Washoe County):
1) Frank Tsai

Bruce Bartolowitz, Tax Program Supervisor III, was present for the Department of Taxation. Ms. Davis was present for the Washoe County Assessor. Frank Tsai, Taxpayer, was present via telephone.

Commissioner Sheets made a motion to deny the appeal. Commissioner Bersi seconded the motion. All in favor. No opposed. Motion carried.

V. COMPLIANCE DIVISION:

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

1) Paul San Filippo

Lizette Arceo, Revenue Officer III, was present for the Department of Taxation. Paul San Filippo, Taxpayer, was present. Pete Rinato, CPA, was present for the Taxpayer.

There were no questions from the Commission.

Commissioner Bersi made a motion to approve the Offer-In-Compromise. The motion was seconded by Commissioner Kelesis. Commissioner Witt and Commissioner Sheets voted no. Commissioner DeVold voted yes. Commissioner Marvel voted yes. Chairman Lambert voted yes. Motion passed by majority.

2) Aaron McDonald

Lizette Arceo, Revenue Officer III, was present for the Department of Taxation.

Commissioner DeVold made a motion to approve the Offer-In-Compromise. Commissioner Witt seconded the motion. All in favor. No opposed. Motion carried.

3) Stephen Thyfault

Lizette Arceo, Revenue Officer III, was present for the Department of Taxation. James R. Cox was present via telephone for the Taxpayer.

Commissioner Sheets made a motion to approve the Offer-In-Compromise. The motion was seconded by Commissioner Bersi. All in favor. No opposed. Motion carried.

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

1) Thomas and Julie Woolbright

Lizette Arceo, Revenue Officer III, was present for the Department of Taxation. Thomas Woolbright, Taxpayer, was present in Las Vegas.

Commissioners DeVold made a motion to deny the Offer-In-Compromise. Commissioner Marvel seconded the motion. Commissioner Sheets voted against the motion to deny the Offer-In-Compromise. A roll call vote was taken by Chairman Lambert. Commissioner Bersi voted no. Commissioner Kelesis voted no. Commissioner Sheets voted no. Commissioner Marvel voted yes. Commissioner Witt voted yes. Commissioner DeVold voted yes. Chairman Lambert voted no. The motion failed.

Commissioner Sheets made a motion to accept the Offer-In-Compromise. Commissioner Kelesis seconded the motion. Commissioner Marvel, Commissioner Witt and Commissioner DeVold voted no. Commissioner Bersi, Commissioner Kelesis, Chairman Lambert and Commissioner Sheets voted yes. The motion carried by majority vote.

C. Adoption of Emergency Regulation to Implement the Tax Collection Provisions of the Passenger Transportation Excise Tax Enacted as Amended in Senate Bill No. 376 of the 2015 Legislative Session

Gina Sessions, Chief Deputy Attorney General, was present for the Department. Ms. Sessions gave an overview of the emergency regulation process. This regulation stays in effect for 120 days and then must be replaced by permanent regulations. The tax goes into effect August 28, 2015. The Commission requested that the public attend the upcoming workshops and give their input and concerns.

Commissioner Kelesis made a motion to adopt the Emergency Regulation. Commissioner Sheets seconded the motion. All in favor. No opposed. Motion carried.

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

Informational item material was provided to the Commission.

VII. BRIEFING:

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

Paulina Oliver, Deputy Director – Compliance, was present for the Department of Taxation. Ms. Oliver stated there were five (5) major changes made during the recent Legislative Session, which include the Passenger Transportation Tax, the new Commerce Tax, changes to the Live Entertainment Tax, changes to the Modified Business Tax, and the Click thru Nexus. Commissioner Sheets asked Ms. Oliver to put this information in writing for the commissioners.

VIII. Next Meeting Dates.

July 6, 2015 at 1:00 p.m. (Overview of Legislative Session relating to Department of Taxation).

- IX. **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.

X. Items for Future Agendas

No future agenda items were discussed.

XI. Adjourn

The meeting adjourned at 10:30 a.m.