

Minutes of the Meeting
STATE BOARD OF EQUALIZATION
June 29-30, 2016
8:30 a.m.

The meeting was held at the State Legislative Building, Room 2134, 401 S. Carson St., Carson City, Nevada.

STATE BOARD MEMBERS PRESENT:

Dennis Meservy, Chairman
Benjamin Johnson
Keith Harper
Robert Schiffmacher
Al Plank

COUNSEL TO BOARD

Dawn Buoncristiani, Deputy Attorney General

DEPT OF TAXATION STAFF PRESENT:

Terry Rubald, Deputy Executive Director
Anita Moore, State Board Coordinator
Wendy Duefrene, Auditor 2
Shelly Hansen, Auditor 2
Peggy Cole, Auditor 3
Hilary Reynolds, Auditor 2
Cheryl Erskine, Utility Valuation Analyst
Sorin G. Popa, Utility Valuation Analyst
Jeff Mitchell, Centrally Assessed Supervisor
John Schillo, Utility Valuation Analyst
William Schilling, Property Appraiser 2

MEMBERS OF THE PUBLIC PRESENT:

Name

Representing

June 29

Ronald L. Shane, Taxpayer 16-130, 131, 132
Maxine F. Shane, Taxpayer 16-130, 131, 132
Michael P. Killian, Frazer Ryan Goldberg & Arnold, LLP
(telephonically) 16-273
Eric Ow-wing, Lyon County Assessor
Jeff Knoll, Marigold Mine, 16-330
Lorna Thomas, Lyon County Assessor 16-199
Leslie Notestine, Churchill County Assessor 16-272
Ruth C. Lee, Esmeralda County
Troy Villines, Lyon County Assessor
Denise L. Felton, Churchill County Assessor
16-273, 130, 131, 132
Rochanne Downs, Churchill County Assessor
16-130,131,132
Katrinka Russell, Elko County Assessor 16-273, 274
Sarah Romero, Elko County Assessor 16-273, 274
Charles Fowler, Salvation Army 16-122
Robert Michael West, Taxpayer 16-199
Cori Burke, Washoe County Assessor
Rigo Lopez, Washoe County Assessor 16-278
Teresa Olson, Washoe County Assessor
William Anthony, Trinity Homes, Inc. 16-280
Josh Wilson, Washoe County Assessor 16-122, 280
Justin Taylor, Washoe County Assessor 16-280
Mark Stafford, Washoe County Assessor
16-280, 286, 384, 305, 311, 312
Bruce Cartwright, UAL, US & American Airlines
16-104, 105, 106
Bryce Shields, Pershing County Assessor 16-200
Lauri Cerini-Jones, Pershing County Assessor 16-200
James Susa, DeConcini, McDonald, Yetwin, & Lacy, P.C
(telephonically) 16-108
Ida Shapiro, (Living Trust) (telephonically) 16-278

June 30

Anna Thornley, NV Taxpayers Association
Bruce Cartwright, UAL, American & US Airways
16-104,105,106
Nick Luebker, UAL, American & US Airways
16-104,105,106

June 29, 2016

Agenda Item A:

The Chairman introduced himself and Board Members Al Plank, Bob Schiffmacher, Keith Harper, and Benjamin Johnson, as well as counsel for the board Deputy Attorney General Dawn Buoncristiani. Chairman Meservy noted there was a quorum to conduct business. Terry Rubald, Deputy Executive Director of the Department of Taxation, introduced herself and Anita Moore, the State Board coordinator.

Agenda Item B:

The Chairman called for Public Comment. There was none. Ms. Buoncristiani then swore in witnesses. The Chairman explained the procedures for appeals before the State Board.

Agenda Item C:

For Possible Action: Approval of Stipulated Agreements

16 200 C Punch Ranch Inn and Casino Commercial Pershing County Assessor

No one appeared on behalf of C Punch Ranch Inn and Casino (Taxpayer). Bryce Shields, Pershing County Deputy District Attorney, and Lauri Cerini-Jones, County Assessor, appeared on behalf of the Pershing County Assessor's Office (Assessor).

The parties proposed to settle the matter and offered to stipulate to a final taxable value for review and approval by the State Board.

The State Board, having considered all evidence, documents and testimony, approved the taxable values proposed by the parties for the subject property, case number 16-200.

2016-17 Secured Roll	Taxable Value		Assessed Value	
	Established by County Assessor	Revised By State Board	Established by County Assessor	Revised by State Board
Land	\$125,871	\$125,871	\$44,055	\$44,055
Improvements	\$1,441,043	\$1,191,043	\$504,365	\$416,865
TOTAL	\$1,566,914	\$1,316,914	\$548,420	\$460,920

16 108 Robinson Nevada Mining Company Mine Department of Taxation

James M. Susa of DeConcini, McDonald, Yetwin, & Lacy, P.C. appeared telephonically on behalf of Robinson Nevada Mining Company (Taxpayer). Jeff Mitchell appeared on behalf of the Department of Taxation (Department).

The State Board, having considered all evidence, documents and testimony, approved the taxable values proposed by the parties for the subject property, case number 16-108. Taxable values for the 2016-2017 Secured Roll were revised and taxable values for the 2015-2016 Unsecured Supplemental Roll remained unchanged. The taxable value was changed for APN 001-143-03 and no change was made to APN 001-142-01.

2016-17 Secured Roll	Taxable Value		Assessed Value	
	Established by County Assessor	Revised By State Board	Established by County Assessor	Revised by State Board
Robinson Nevada Mining Company				
New Real Property	0	0	0	0

Existing Real Property	\$144,871,305	\$76,689,145	\$50,704,957	\$26,841,200
Less Real Property Pollution Control	\$18,595,217	\$9,843,573	\$6,508,326	\$3,445,250
New Personal Property	0	0	0	0
Existing Personal Property	\$44,035,879	\$23,320,854	\$15,412,558	\$8,158,799
Less Personal Property Pollution Control	\$1,278,054	\$676,551	\$447,319	\$236,792
TOTAL	\$169,033,913	\$89,479,875	\$59,161,870	\$31,317,957

16 109 Baker Hughes Oilfield Operations Mine Department of Taxation

No one appeared on behalf of Baker Hughes Oilfield Operations (Taxpayer). Jeff Mitchell appeared on behalf of the Department of Taxation (Department).

The Department proposed to settle the matter and presented a stipulated agreement for review and approval by the State Board.

The State Board, having considered all evidence, documents and testimony, approved the taxable values proposed by the parties for the subject property, case number 16-109.

2016-17 Secured Roll	Taxable Value		Assessed Value	
	Established by County Assessor	Revised By State Board	Established by County Assessor	Revised by State Board
Baker Hughes Oilfield Operations				
New Real Property	\$0	\$0	\$0	\$0
Existing Real Property	\$7,913,612	\$1,976,363	\$2,769,764	\$691,727
Less Real Property Pollution Control	\$351,485	\$351,485	\$123,020	\$123,020
New Personal Property	\$0	\$0	\$0	\$0
Existing Personal Property	\$4,015,746	\$6,340,949	\$1,405,511	\$2,219,332
Less Personal Property Pollution Control	\$21,680	\$21,680	\$7,588	\$7,588
TOTAL PROPERTY	\$11,556,193	\$7,944,147	\$4,044,667	\$2,780,451

2015-16 Unsecured Roll	Taxable Value		Assessed Value	
	Established by County Assessor	Revised By State Board	Established by County Assessor	Revised by State Board
Baker Hughes Oilfield Operations				
New Real Property	\$3,066,535	\$0	\$1,073,288	\$0
Existing Real Property				
Less Real Property Pollution Control				
New Personal Property	\$70,054	\$2,822,931	\$24,519	\$988,026
Existing Personal Property				
Less Personal Property Pollution Control				
TOTAL PROPERTY	\$3,136,590	\$2,822,931	\$1,097,807	\$988,026

No one appeared on behalf of Mineral Ridge Gold, LLC (Taxpayer). Jeff Mitchell appeared on behalf of the Department of Taxation (Department).

The Department proposed to settle the matter and presented a stipulated agreement for review and approval by the State Board.

The State Board, having considered all evidence, documents and testimony, approved the taxable values proposed by the parties for the subject property, case number 16-110.

2015-16 Unsecured Roll	Taxable Value		Assessed Value	
	Established by County Assessor	Revised By State Board	Established by County Assessor	Revised by State Board
Mineral Ridge Mine				
New Real Property	\$433,308	\$266,943	\$151,658	\$93,430
Existing Real Property	\$11,906,461	\$7,335,079	\$4,167,261	\$2,567,278
Less Real Property Pollution Control	\$591,689	\$364,515	\$207,091	\$127,580
New Personal Property	\$2,575,666	\$1,586,762	\$901,483	\$555,367
Existing Personal Property	\$13,394,741	\$8,251,948	\$4,688,160	\$2,888,182
Less Personal Property Pollution Control	\$123,717	\$76,217	\$43,301	\$26,676
TOTAL PROPERTY	\$27,594,770	\$17,000,000	\$9,658,170	\$5,950,000

No one appeared on behalf of Hectatone, Inc., dba Kings Valley Clay, Inc. (Taxpayer). Jeff Mitchell appeared on behalf of the Department of Taxation (Department).

The Department proposed to settle the matter and presented a stipulated agreement for review and approval by the State Board.

The State Board, having considered all evidence, documents and testimony, approved the taxable values proposed by the parties for the subject property, case number 16-111.

2016-17 Secured Roll	Taxable Value		Assessed Value	
	Established by Department	Revised By State Board	Established by Department	Revised by State Board
King's Valley Clay, Inc.				
New Real Property	\$0	\$0	\$0	\$0
Existing Real Property	\$6,707	\$2,454,845	\$2,347	\$859,196
Real Property Pollution Control	\$0	\$0	\$0	\$0
New Personal Property	\$0	\$0	\$0	\$0
Existing Personal Property	\$3,984,188	\$1,536,050	\$1,394,466	\$537,618
Personal Property Pollution Control	\$0	\$0	\$0	\$0
TOTAL PROPERTY	\$3,990,895	\$3,990,895	\$1,396,813	\$1,396,814

2015-16 Unsecured Roll	Taxable Value		Assessed Value	
	Established by Department	Revised By State Board	Established by Department	Revised by State Board
King's Valley Clay, Inc.				
New Real Property	5,357,588	\$1,459,246	\$1,875,156	\$510,736
Existing Real Property	\$0	\$0	\$0	\$0
Real Property Pollution Control	\$0	\$0	\$0	\$0
New Personal Property	\$686,609	\$2,392,350	\$240,313	\$837,323
Existing Personal Property	\$0	\$0	\$0	\$0
Personal Property Pollution Control	\$0	\$0	\$0	\$0
TOTAL PROPERTY	\$6,044,197	\$3,851,596	\$2,115,469	\$1,348,059

16 296 Department of Taxation Net Proceeds Alta Rock Energy

No one appeared on behalf of Alta Rock Energy (Taxpayer). Jeff Mitchell appeared on behalf of the Department of Taxation (Department).

The Department proposed to settle the matter and presented a stipulated (unopposed) agreement for review and approval by the State Board.

The State Board, having considered all evidence, documents and testimony pertaining to the valuation of property in accordance with NRS 362.100 and 362.120, approved the certified values proposed by the Department for the subject property, case number 16-296

2015-16 Unsecured Roll	Original Certification		Correct Certification	
	Calculated Net Proceeds	Royalty Basis	Calculated Net Proceeds	Royalty Basis
Alta Rock Energy				
Net Proceeds	\$1,387,982.00	\$195,000.00	\$3,601,968.00	\$79,708.00
TOTAL	\$1,387,982.00	\$195,000.00	\$3,601,968.00	\$79,708.00

16 286 UBS Financial Services, Inc. Personal Property Washoe County Assessor

No one appeared on behalf of UBS Financial Services, Inc. (Taxpayer). Mark Stafford appeared on behalf of the Washoe County Assessor's Office (Assessor).

The parties proposed to settle the matter and offered to stipulate to a final taxable value for review and approval by the State Board.

The State Board, having considered all evidence, documents and testimony, approved the taxable values proposed by the parties for the subject property, case number 16-286.

2015-16 Unsecured Roll	Taxable Value		Assessed Value	
	Established by County Assessor	Revised By State Board	Established by County Assessor	Revised by State Board
Parcel Identifier 2152073				
Personal Property	\$901,771	\$58,903	\$315,620	\$20,616
TOTAL	\$901,771	\$58,903	\$315,620	\$20,616

16 304 Vaughn Motor Sports Personal Property Washoe County Assessor

No one appeared on behalf of Vaughn Motor Sports (Taxpayer). Mark Stafford appeared on behalf of the Washoe County Assessor's Office (Assessor).

The parties proposed to settle the matter and offered to stipulate to a final taxable value for review and approval by the State Board.

The State Board, having considered all evidence, documents and testimony, approved the taxable values proposed by the parties for the subject property, case number 16-304.

2015-16 Unsecured Roll	Taxable Value		Assessed Value	
Parcel Identifier 2207562	Established by County Assessor	Revised By State Board	Established by County Assessor	Revised by State Board
Personal Property	\$37,038	\$28	\$12,963	\$10
TOTAL	\$37,038	\$28	\$12,963	\$10

Agenda Item D:

For Possible Action: APPEALS FROM ACTION OF A COUNTY BOARD OF EQUALIZATION PURSUANT TO NRS 361.400, TAX YEAR 2016-17, Secured Roll

16 273 Edwin Enterprises, LLC Commercial Elko County Assessor

Michael P. Killion of Frazer Ryan Goldberg and Arnold, LLP, appeared telephonically on behalf of Edwin Enterprises, LLC (Taxpayer). Katrinka Russell and Sarah Romero appeared on behalf of the Elko County Assessor's Office (Assessor).

The State Board found the Taxpayer did not present sufficient credible evidence to support values different from that established by the County Board. The State Board tested the income approach used by the Assessor and found the Assessor appropriately capitalized the net lease investment return of \$56,000 per month, rather than the business enterprise level of income. The State Board further found the Taxpayer did not present sufficient credible information to overturn the capitalization rate of 7% used by the Assessor to capitalize the net lease investment return.

The State Board affirmed the decision of the County Board.

16 274 Elko Ruby Vista, LLC Commercial Elko County Assessor

Michael P. Killion of Frazer Ryan Goldberg and Arnold, LLP, appeared telephonically on behalf of Elko Ruby Vista LLC (Taxpayer). Katrinka Russell and Sarah Romero appeared on behalf of the Elko County Assessor's Office (Assessor).

The State Board found the Taxpayer did not present sufficient credible evidence to support values different from that approved by the County Board. The State Board did not find the financial evidence supporting the income approach credible and therefore relied on the cost indicator of value based on the replacement cost new less depreciation plus market value of the land established by the Assessor.

The State Board affirmed the decision of the County Board.

16 272 Highlands of Fallon, LLC Commercial Churchill County Assessor

Michael P. Killion of Frazer Ryan Goldberg & Arnold LLP, appeared telephonically on behalf of Highlands of Fallon, LLC(Taxpayer). Denise Felton and Leslie Notestine appeared on behalf of the Churchill County Assessor's Office (Assessor).

The State Board found the Taxpayer did not present sufficient evidence to support values different from that established by the County Board. The State Board tested the taxable value by using an income approach methodology in which the net operating income of \$1,225,596 reported on page 83, less 7% for administrative expenses, was capitalized using 10.35%, the capitalization rate used by the Assessor, to derive an income indicator of \$11,012,599. The test supported the Assessor's income approach indicator which used an 80% operating expense ratio. The State Board found the taxable value established by the County Board was supported by both the test and the Assessor's income indicator of value.

The State Board affirmed the decision of the County Board.

16 130 Ronald L. & Maxine F. Shane Residential Churchill County Assessor

Ronald Shane and Maxine Shane appeared on behalf of themselves (Taxpayer). Denise Felton and Rochanne Downs appeared on behalf of the Churchill County Assessor's Office (Assessor).

The State Board found the Taxpayer did not present sufficient evidence to support values different from that established by the County Board. The State Board placed more weight on the comparable sales provided by the Assessor than on the sales provided by the Taxpayer because there was more information about the sales and their location relative to the subject property. In addition, the State Board found the Assessor had provided sale/resale evidence, which is the strongest measure of appreciation over time. The State Board found the Fallon market was improving and the Assessor's evidence supported the taxable value.

The State Board affirmed the decision of the County Board.

16 131 Ronald L. & Maxine F. Shane Residential Churchill County Assessor

Ronald Shane and Maxine Shane appeared on behalf of themselves (Taxpayer). Denise Felton and Rochanne Downs appeared on behalf of the Churchill County Assessor's Office (Assessor).

The State Board found the Taxpayer did not present sufficient evidence to support values different from that established by the County Board. The State found the taxable value was adequately supported by comparable sales. The State Board placed more weight on the sales provided by the Assessor and further found the sales provided by the Taxpayer were not persuasive enough to overturn the taxable value.

The State Board affirmed the decision of the County Board.

16 132 Ronald L. & Maxine F. Shane Residential Churchill County Assessor

Ronald Shane and Maxine Shane appeared on behalf of themselves (Taxpayer). Denise Felton and Rochanne Downs appeared on behalf of the Churchill County Assessor's Office (Assessor).

The State Board found the taxable value of the subject property should be reduced to \$150,752 with the taxable value of the land remaining the same and the obsolescence applied to the improvements.

2016-17 Secured Roll	Taxable Value		Assessed Value	
Parcel Number 001-181-76	Established by County Assessor	Revised By State Board	Established by County Assessor	Revised by State Board
Land	\$24,000	\$24,000	\$8,400	\$8,400
Improvements	\$128,440	\$126,752	44,954	\$44,363
TOTAL	\$152,440	\$150,752	\$53,354	\$52,763

16 201 Safeway Stores 99 Commercial Churchill County Assessor

Case 16-201 was withdrawn.

16 199 Robert Michael West Vacant Land Lyon County Assessor

Robert Michael West appeared on behalf of himself (Taxpayer). Lorna Thomas appeared on behalf of the Lyon County Assessor's Office (Assessor).

The Assessor made a recommendation to lower the value to \$6,200 based on the additional cost of bringing power to the subject property. The State Board accepted the Assessor's recommendation to reduce the taxable value by 50% to reflect the lack of power.

The State Board found the taxable value of the subject property should be reduced to \$6,200.

2016-17 Secured Roll	Taxable Value		Assessed Value	
Parcel Number 18-387-01	Established by County Board of Equalization	Revised By State Board	Established by County Board of Equalization	Revised by State Board
Land	\$12,400	\$6,200	\$4,340	\$2,170
TOTAL	\$12,400	\$6,200	\$4,340	\$2,170

16 202 Cole PM McCarran NV, LLC Commercial Storey County Assessor

Case 16-202 was withdrawn.

Agenda Item E:

For Possible Action: RECOMMENDATIONS BY THE SECRETARY TO DISMISS TAXPAYERS' DIRECT APPEAL OF PROPERTY ON THE 2015-2016 UNSECURED ROLL, PURSUANT TO NRS 361.360(3), Appeals not Heard by County Board

16 280 Trinity Homes Personal Property Washoe County Assessor

William Anthony appeared on behalf of Trinity Homes, Inc. (Taxpayer). Justin Taylor, Mark Stafford, and Josh Wilson appeared on behalf of the Washoe County Assessor's Office (Assessor).

The State Board found the Taxpayer did not show substantial circumstances beyond the control of the Taxpayer as to why the appeal was not filed first with the County Board. The State Board declined to accept jurisdiction of the case because administrative remedies available to the Taxpayer had not been exhausted prior to appeal to the State Board.

Agenda Item F:

For Possible Action: RECOMMENDATIONS BY THE SECRETARY TO DISMISS TAXPAYERS' APPEALS PURSUANT TO NAC 361.7014, Untimely Filed Appeals, Appeals not Heard by County Board; Determination of Jurisdiction of State Board. See Note (1)

16 278 Ida A. Shapiro Living Trust Vacant Land Washoe County Assessor

Ida A. Shapiro appeared telephonically on behalf of the Ida A. Shapiro Living Trust (Taxpayer). Rigo Lopez appeared on behalf of the Washoe County Assessor's Office (Assessor).

The State Board found the Taxpayer untimely filed appeals for prior years; and did not show under what legal authority the State Board could hear the appeals for the 2005-06, 2006-07, 2008-09, 2009-10, 2010-11, and 2011-12. tax years. The State Board declined to accept jurisdiction.

Agenda Item G:

For Possible Action: RECOMMENDATIONS BY THE SECRETARY TO DISMISS TAXPAYERS' APPEALS PURSUANT TO NAC 361.7014, Appeal of 2015-16 Property Tax Exemption decision not Heard by County Board; Determination of Jurisdiction of State Board pursuant to NRS 361.155(6). See Note (1)

16 122 Salvation Army Exemption of storage warehouse Washoe County Assessor

Charles Fowler appeared on behalf of the Salvation Army (Taxpayer). Josh Wilson, Deputy County Assessor, appeared on behalf of the Washoe County Assessor's Office (Assessor).

The State Board found the Taxpayer did not show any circumstances beyond the control of the taxpayer as to why the taxpayer did not appeal to the County Board for the 2015-2016 tax year and declined to accept jurisdiction of the case.

Agenda Item H:

For Possible Action: APPEALS FROM ACTION OF A COUNTY BOARD OF EQUALIZATION PURSUANT TO NRS 361.400, TAX YEAR 2016-17, Secured Roll

16 203 Rahlves and Rahlves, Inc. Commercial Washoe County Assessor
 16 204 MT Baker, LLC Commercial Washoe County Assessor

Cases 16-203 and 16-204 were withdrawn.

Agenda Item I:

For Possible Action: DIRECT APPEALS PURSUANT TO NRS 361.360, TAX YEAR 2015-16, Unsecured Roll

16 305 United Rentals Northwest Personal Property Washoe County Assessor

No one appeared on behalf of United Rentals Northwest (Taxpayer). Mark Stafford appeared on behalf of the Washoe County Assessor’s Office (Assessor).

The parties proposed to settle the matter and offered to stipulate to a final taxable value for review and approval by the State Board.

The State Board, having considered all evidence, documents and testimony, approved the taxable values proposed by the parties for the subject property, case number 16-305.

2015-16 Unsecured Roll	Taxable Value		Assessed Value	
Parcel Identifier 2199037	Established by County Assessor	Revised By State Board	Established by County Assessor	Revised by State Board
Personal Property	\$10,162,815	\$9,271,092	\$3,556,985	\$3,244,882
TOTAL	\$10,162,815	\$9,271,092	\$3,556,985	\$3,244,882

16 311 Crown Castle Personal Property Washoe County Assessor

Michelle Gallo and Carmen Ospina appeared on behalf of Crown Castle (Taxpayer). Mark Stafford appeared on behalf of the Washoe County Assessor’s Office (Assessor).

The State Board, having considered the testimony provided, approved this matter to be continued.

16 312 Tegu Enterprises Personal Property Washoe County Assessor

No one appeared on behalf of Tegu Enterprises dba Crystal Peak Gun Works (Taxpayer). Mark Stafford appeared on behalf of the Washoe County Assessor’s Office (Assessor).

The parties proposed to settle the matter and offered to stipulate to a final taxable value for review and approval by the State Board.

The State Board, having considered all evidence, documents and testimony, approved the taxable values proposed by the parties for the subject property, case number 16-304.

2015-16 Unsecured Roll	Taxable Value		Assessed Value	
Account Number 2126640	Established by County Assessor	Revised By State Board	Established by County Assessor	Revised by State Board
Personal Property	\$3,800	\$1400	\$1,330	\$490

TOTAL	\$3,800	\$1400	\$1,330	\$490
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Agenda Item J:

For Possible Action: RECOMMENDATIONS BY THE SECRETARY TO DISMISS TAXPAYERS' DIRECT APPEAL OF PROPERTY ON THE 2013-2014 and 2014-2015 UNSECURED ROLLS, PURSUANT TO NRS 361.402(2) and NRS 361.360(3), Untimely filed appeals. See Note (1)

16 330 Marigold Mining Company Mine Department of Taxation

Jeffrey Knoll, Esq. of DuCharme, McMillen & Associates appeared on behalf of the Marigold Mining Company (Taxpayer). Jeff Mitchell, Supervisor of the Centrally-Assessed Section of the Division of Local Government Services, appeared on behalf of the Department of Taxation (Department).

The State Board found the appeals were filed untimely and the Taxpayer did not show under what legal authority the State Board could hear the appeal for the 2013-14 and 2014-15 tax years. The State Board declined to accept jurisdiction.

Agenda Item K:

For Possible Action: RECOMMENDATIONS BY THE SECRETARY TO DISMISS TAXPAYERS' DIRECT APPEAL OF NET PROCEEDS OF MINERALS CERTIFICATION ON THE 2013-2014 and 2014-2015 UNSECURED ROLLS, PURSUANT TO NRS 362.135, Untimely filed appeals, See Note (1)

16 313 Ormat Nevada, Inc. Net Proceeds Department of Taxation
 16 328 Ormat Nevada, Inc. Net Proceeds Department of Taxation
 16 329 Ormat Nevada, Inc. Net Proceeds Department of Taxation

Cases 16-313, 16-328, and 16-329 were withdrawn pending audit.

June 30, 2016

Agenda Item L:

For Possible Action: DIRECT APPEALS OF NET PROCEEDS OF MINERALS, TAX YEAR 2015-16 Unsecured Roll

16 295 Department of Taxation Net Proceeds National Oilwell Varco

No one appeared on behalf of National Oilwell Varco / Big Ledge Mine (Taxpayer). Jeff Mitchell appeared on behalf of the Department of Taxation (Department).

Based on the recommendation of the Department, the State Board found a certain portion of the gross yield reported as an advance royalty did not qualify as a taxable royalty at this point in time and consequently could not also be deducted as a royalty expense by the operator.

The State Board affirmed the correction to the certified net proceeds proposed by the Department.

2015-16 Unsecured Roll	Original Certification		Corrected Certification	
	Calculated Net Proceeds	Royalty Basis	Calculated Net Proceeds	Royalty Basis
Net Proceeds	\$2,379,484.08	\$80,351.00	\$2,429,484.08	\$30,351.00
TOTAL	\$2,379,484.08	\$80,351.00	\$2,429,484.08	\$30,351.00

16 306 Terra-Gen Dixie Valley LLC Net Proceeds Department of Taxation

16 309 Beowawe Power LLC Net Proceeds Department of Taxation

Cases 16-306 and 16-309 were withdrawn.

16 310 Heart of Nature, LLC Net Proceeds Department of Taxation

No one appeared on behalf of Heart of Nature, LLC (Taxpayer). Jeff Mitchell appeared on behalf of the Department of Taxation (Department).

The Department proposed to settle the matter and presented a stipulated agreement for review and approval by the State Board. The State Board approved the net proceeds of minerals tax value and stipulated settlement proposed by the parties.

2015-16 Unsecured Roll	Original Certification		Corrected Certification	
Heart of Nature, LLC	Calculated Net Proceeds	Royalty Basis	Calculated Net Proceeds	Royalty Basis
Net Proceeds	\$2,240,942.11	\$86,265.00	\$56,025.76	\$86,265.00
TOTAL	\$2,240,942.11	\$86,265.00	\$56,025.76	\$86,265.00

Agenda Item M:

For Possible Action: DIRECT APPEALS PURSUANT TO NRS 361.403, TAX YEAR 2016-17 Centrally-Assessed Roll

16 104 American Airlines Unitary Department of Taxation

Bruce Cartwright and Nicholas Luebker of Duff and Phelps, appeared on behalf of American Airlines, Inc. (Taxpayer). Jeff Mitchell and Sorin Popa appeared on behalf of the Department of Taxation (Department).

The State Board found that certain assets belonging to Envoy, a wholly owned subsidiary of American Airlines Group, should not be included in the unitary value. In addition, the State Board found that income appropriately attributable to intangible assets should be excluded from the income stream to be capitalized into an indication of value.

The State Board found the adjusted system value should be reduced from \$18,969,172,000 to \$15,870,000,000; and the Nevada assessed value after allocation should be reduced from \$33,196,000 to \$27,350,000.

2016-17 Secured Roll	Taxable Value		Assessed Value	
American Airlines Unitary Value	Established by Tax Commission	Revised By State Board	Established by Tax Commission	Revised by State Board
Unitary Value	\$18,969,172,000	\$15,870,000,000	\$33,196,000	\$27,350,000
TOTAL	\$18,969,172,000	\$15,870,000,000	\$33,196,000	\$27,350,000

16 105 US Airways, Inc. Unitary Department of Taxation

Bruce Cartwright and Nicholas Luebker of Duff and Phelps, appeared on behalf of American Airlines, Inc. (Taxpayer). Jeff Mitchell and Sorin Popa appeared on behalf of the Department of Taxation (Department).

Based on the analysis provided in Case No. 16-104 and 16-106, the State Board found that income appropriately attributable to intangible assets should be excluded from the income stream to be capitalized into an indication of value.

The State Board found the adjusted system value should be reduced from \$9,325,000,000 to \$8,851,000,000; and the Nevada assessed value after allocation should be reduced from \$30,715,000 to \$29,153,000.

2016-17 Secured Roll	Taxable Value		Assessed Value	
	Established by Tax Commission	Revised By State Board	Established by Tax Commission	Revised by State Board
U.S. Airways, Inc. Unitary Value				
Unitary Value	\$9,325,000,000	\$8,851,000,000	\$30,715,000	\$29,153,000
TOTAL	\$9,325,000,000	\$8,851,000,000	\$30,715,000	\$29,153,000

16 106 United Continental Holdings, Inc. Unitary Department of Taxation

Bruce Cartwright and Nicholas Luebker of Duff and Phelps, appeared on behalf of American Airlines, Inc. (Taxpayer). Jeff Mitchell and Sorin Popa appeared on behalf of the Department of Taxation (Department).

The State Board found that certain assets belonging to United Express, under which nine individually owned regional airlines operate short and medium haul feeder flights, should not be included in the unitary value. In addition, the State Board found that income appropriately attributable to intangible assets should be excluded from the income stream to be capitalized into an indication of value.

The State Board found the adjusted system value should be reduced from \$19,749,271,000 to \$15,500,000,000; and the Nevada assessed value after allocation should be reduced from \$43,836,000 to \$34,325,000.

2016-17 Secured Roll	Taxable Value		Assessed Value	
	Established by Nevada Tax Commission	Revised By State Board	Established by Nevada Tax Commission	Revised by State Board
United Continental Holdings Unitary Value				
Unitary Value	\$19,749,271,000	\$15,500,000,000	\$43,836,000	\$34,325,000
TOTAL	\$19,749,271,000	\$15,500,000,000	\$43,836,000	\$34,325,000

Agenda Item N:

**Briefing to and from the Board and the Secretary and Staff
For Possible Action: Proposed Hearing Schedules and Docket Management**

It was noted there is one more session in Las Vegas on July 18th, 19th and 20th.

Agenda Item O:

State Board of Equalization Comments

There were no comments from the Board.

Agenda Item P: Public Comment

The chairman called for public comment. There was none.

Agenda Item Q: Adjournment

The meeting was adjourned at 12:26 p.m. June 30, 2016.

