

NEVADA TAX COMMISSION MEETING
MINUTES

Nevada Legislative Building
401 S. Carson Street, Room 2135
Carson City, Nevada 89701

Legislative Counsel Bureau
Grant Sawyer State Office Building
555 E. Washington Ave., Room 4412
Las Vegas, Nevada 89101

December 9, 2019
9:00 a.m.

Members Present:

James DeVold, Chairman
Randy Brown, Commissioner
Craig Witt, Commissioner
Sharon Rigby, Commissioner (Telephonic)
Tony Wren, Commissioner
Ann Bersi, Commissioner
Francine Lipman, Commissioner
George Kelesis, Commissioner

Chairman DeVold called the meeting to order at 9:00 a.m.

I. Public Comment.

There was no public comment.

Director Young administered an oath to all meeting participants.

II. Meeting Minutes:

A. Consideration for Approval of the October 7, 2019 Nevada Tax Commission Meeting Minutes.

Director Young stated there is a correction on Page 9. The word “canvas” was used instead of “cannabis”.

Commissioner Wren moved to approve the Minutes of the October 7, 2019 Nevada Tax Commission Meeting, as corrected. Commissioner Kelesis 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) Aloha Windmill Inc.
 - b) Ames & McCreary Inc.
 - c) Art in the Desert LLC
 - d) Bronx and Company LLC
 - e) C A Wong LLC
 - f) Comstock Seed LLC
 - g) DW Boomtown Diner LLC
 - h) DW Damonte Ranch Diner LLC

- i) Fairview Smoke & Liquor LLC
- j) Freedom Firearms LLC
- k) Global Promotional Sourcing LLC
- l) H&Y LLC
- m) HZ OPS Holdings Inc.
- n) Hawaiian BBQ Reno NW Inc.
- o) Home Builders Research Inc.
- p) K&H Investment LLC
- q) K&K Station Services LLC
- r) Laxague Feed and Supply LLC
- s) Minearc Systems America LLC
- t) NB Group LLC
- u) Nevada Joe Coffee On Main
- v) Portnoy Gallery LLC
- w) R&M Rubio Inc.
- x) Shagun Kumar
- y) Smarttires of Las Vegas LLC
- z) Sushimoto Inc.
- aa) Tunnel Radio of America Inc.
- bb) VR Venture LLC

B. Standard Direct Sales Organization Agreements:

- 1) Perfectly Posh LLC

C. Waiver of Penalty and Interest Pursuant to a Request on a Voluntary Disclosure (Sales/Use Tax, Modified Business Tax and/or Commerce Tax):

- 1) Minus Forty Technologies Corp
- 2) Muscle Foods Export LLC
- 3) Penzeys LTD dba Penzeys Spices
- 4) Simple Tire LLC
- 5) Standard Process Inc.
- 6) Stop Aging Now LLC
- 7) TIGI Linea Corporation
- 8) Vibram FiveFingers LLC
- 9) AGILIS Systems LLC
- 10) CaaStle Inc. dba Gwynnie Bee
- 11) Carahsoft Technology Corp.
- 12) IronMag Nutrition LLC dba GNC 1595
- 13) Industrial Scientific Corporation
- 14) Joint Commission Resources Inc.
- 15) JUUL Labs, Inc.
- 16) Madison Reed, Inc.
- 17) JJT Enterprises, Inc. dba Optimal Outsource

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

- 1) JC Bromac Corp dba Eaglerider
- 2) Universal Printing & Graphics Incorporated
- 3) WFM Southern Nevada Inc. dba Whole Foods Market
- 4) Barbour Well, Inc.

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

- 1) MGM Resorts International
- 2) Sunrise Hospital & Medical Center

- 3) Aria Resort & Casino LLC
- 4) VDARA Condo Hotel LLC

F. Consideration for Approval of the Recommended Settlement Agreements and Stipulations (Sales/Use Tax, Modified Business Tax and/or Commerce Tax)

- 1) JCR Development LLC
- 2) ALTA Gold
- 3) Manhattan Pizza II, LLC

Commissioner Kelesis made a motion to approve the Consent Calendar. Commissioner Brown seconded the motion. All in favor. Motion carries.

IV. DIVISION OF LOCAL GOVERNMENT SERVICES:

A. LOCAL GOVERNMENT SERVICES:

- 1) Consideration of Lander County's Petition for Rehearing/Reconsideration of the Nevada Tax Commission's Findings of Fact, Conclusions of Law and Decision dated April 1, 2019 denying Lander County's request for a waiver to remain on guaranteed status for Supplemental City-County Relief Tax (continued from the May 6, 2019 Nevada Tax Commission Meeting) along with Attorney General Opinion No. 2019-06 dated November 19, 2019.

Jeffrey Mitchell, Deputy Executive Director, and Kelly Langley, Budget Analyst III, were present on behalf of the Nevada Department of Taxation.

Keith Westengard, Lander County Manager, was present on behalf of Lander County.

Commissioner Rigby stated that she agrees with the Attorney General's Opinion.

Commissioner Brown asked that Lander County comply with the law in the request.

Commissioner Rigby motioned to grant the waiver. Commissioner Kelesis seconded the motion. Motion and second were withdrawn.

Commissioner Rigby motioned that the Commission grant Lander County's motion for reconsideration. Commissioner Bersi seconded the motion. All in favor. Motion carries.

Commissioner Rigby moved to grant the waiver for Lander County to remain on guaranteed status for supplemental city-county relief tax. Commissioner Kelesis seconded the motion. All in favor. Motion carries.

V. COMPLIANCE DIVISION:

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

- 1) Adam Schwartz

Lizette Arceo, Tax Manager, was present on behalf of the Department of Taxation.

Adam Schwartz was present.

Commissioner Kelesis stated that at the last meeting there was a proposed payment of \$700 and that was unacceptable to the Taxpayer. Now it is at \$350 with a gradual increase and this is also unacceptable to the Taxpayer.

Chairman DeVold asked that Mr. Schwartz make monthly payments of \$350 and that and the Commission re-evaluate the offer-in-compromise in twelve (12) months.

Commissioner Kelesis made a motion to uphold the denial the offer-in-compromise of Adam Schwartz. Commissioner Lipman seconded the motion. All in favor. Motion carries.

2) Robin R. Rood

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

Robin Rood was present telephonically.

Commissioner Lipman moved to approve the denial of the offer-in-compromise of Robin R. Rood. Commissioner Witt and Commissioner Bersi second the motion. All in favor. Motion carries.

3) Oscar Avellaneda

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

Oscar Avellaneda was not present.

Commissioner Wren motioned to uphold the denial of the offer-in-compromise of Oscar Avellaneda. Commissioner Lipman seconds the motion. All in favor. Motion carries.

4) Frank Perez

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

Frank Perez was not present.

Commissioner Brown asked if liens have been placed on property.

Ms. Roberts-Larson stated, yes, in Nevada. Personal liens have been placed on Mr. Perez. We would be looking to domesticate the judgment to Arizona once this offer is denied.

Commissioner Brown made a motion to uphold the denial of the offer-in-compromise of Frank Perez. Commissioner Witt seconded the motion. All in favor. Motion carries.

5) Michael R. Goodwin

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

Michael R. Goodwin was not present.

Commissioner Bersi made a motion to uphold the denial of the offer-in-compromise of Michael R. Goodwin. Commissioner Lipman seconded the motion. All in favor. Motion carries.

6) Neal G. Salvino, Jr.

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

Neal G. Salvino Jr. was present.

Chairman DeVold asked if we could deny the offer-in-compromise and it come back to the Commission in a month or so.

Mr. Salvino agreed.

Commissioner Witt moved to uphold the denial of the offer-in-compromise of Neal G. Salvino, Jr. Commissioner Lipman seconded the motion. All in favor. Motion carries.

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

1) Jose A. Villanueva

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

Jose A. Villanueva was present.

Commissioner Kelesis made a motion to approve the offer-in-compromise of Jose A. Villanueva. Commissioner Bersi seconded the motion. All in favor. Motion carries.

2) Michael Swift

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

Michael Swift was not present.

Commissioner Witt moved to approve the offer-in-compromise of Michael Swift. Commissioner Wren seconded the motion. All in favor. Motion carries.

3) Buddy L. Todd

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

Buddy L. Todd was not present.

Commissioner Kelesis moved to approve the offer-in-compromise of Buddy L. Todd. Commissioner Bersi seconded the motion. All in favor. Motion carries.

4) James and Kristy George

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

James and Kristy George were not present.

Commissioner Brown moved to approve the offer-in-compromise of James and Kristy George. Commissioner Witt seconded the motion. All in favor. Motion carries.

5) Douglas and Cynthia Porter

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

Douglas and Cynthia Porter were not present.

Commissioner Wren motioned to approve the offer-in-compromise of Douglas and Cynthia Porter. Commissioner Witt seconded the motion. All in favor. Motion carries.

6) Richard and Frances Picone

Adriane Roberts-Larson was present on behalf of the Nevada Department of Taxation.

Richard and Frances Picone were not present.

Commissioner Lipman motioned to approve the offer-in-compromise of Richard and Frances Picone. Commissioner Bersi seconded the motion. All in favor. Motion carries.

7) Yukako T. Okabe

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

Yukako T. Okabe was present telephonically.

Commissioner Rigby asked what efforts are being made to pursue the ex-husband.

Adriane Roberts-Larson stated liens were placed on Mr. Okabe, but the statute of limitations is past.

Commissioner Lipman made a motion to approve the offer-in-compromise of Yukako T. Okabe. Commissioner Bersi seconded the motion.

Commissioner Rigby asked if the Commission would consider the amount paid to be considered paid in full.

The motion and second were withdrawn.

Commissioner Rigby moved to approve the offer-in-compromise with the exception that the amount paid to date be considered paid in full. Commissioner Brown seconded the motion. All in favor. Motion carries.

8) Walter and Lavena Reimer

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

Lavena Reimer was present.

Commissioner Kelesis made a motion to approve the offer-in-compromise of Walter and Lavena Reimer. Commissioner Bersi seconded the motion. All in favor. Motion carries.

9) Robert McConnell

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

Robert McConnell was present.

Commissioner Kelesis made a motion to approve the offer-in-compromise of Robert McConnell. Commissioner Bersi seconded the motion. All in favor. Motion carries.

10) Constance C. Ruiz

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

Constance C. Ruiz was present.

Commissioner Kelesis made a motion to approve the offer-in-compromise of Constance C. Ruiz. Commissioner Lipman seconded the motion. All in favor. Motion carries.

- C. Department's Motion for the Reconsideration of the Nevada Tax Commission's Decision in favor of LV Park and Sell dated November 25, 2019 which reversed the Administrative Law Judge's Findings of Fact, Conclusions of Law and Final Decision:

- 1) LV Park and Sell

Robert Werbicky, Deputy Attorney General, was present on behalf of the Nevada Department of Taxation.

Preston Howard, Esq. was present on behalf of Mike Schwartz and LV Park and Sell. Mike Schwartz was present.

Commissioner Kelesis asked if the opposing party has the right to file an opposition to a motion for reconsideration.

Mr. Werbicky stated, with the timeline, there was not an opportunity for the taxpayer to provide an opposition.

Commissioner Kelesis made a motion to deny the motion for reconsideration. Commissioner Brown seconded the motion. Commissioner Witt and Commissioner Lipman oppose the motion. Motion carries by majority.

- D. Consideration for the Approval of the Administrative Law Judge's Recommended Decision Regarding an Appeal of the Department's Denial of Interest on a Refund pursuant to NRS 360.2935 and NRS 372.665:

- 1) Gate Gourmet, Inc.

Patti Walsh, Deputy Attorney General, was present on behalf of the Nevada Department of Taxation.

Patti Walsh stated to date there has not been opposition.

Commissioner Kelesis motioned to approve the Administrative Law Judge's Decision. Commissioner Wren seconded the motion. All in favor. Motion carries.

- E. Pursuant to NRS 360.265, consideration for approval of the removal of the names of certain debtors, including the amount of tax, penalty and interest, from the records of the Department for debts exceeding five (5) years due and collection being impossible or impracticable.

Charlene Bernardo, Tax Program Supervisor II, was present on behalf of the Nevada Department of Taxation.

Commissioner Brown made a motion to approve. Commissioner Witt seconded the motion. All in favor. Motion carries.

VI. INFORMATIONAL ITEMS:

- A. Penalty and Interest Waivers granted by the Department for Sales/Use Tax, Modified Business Tax and Excise Tax (dates as indicated).
- B. Approval and Denial Status Report Log for Organizations Created for Religious, Charitable or Educational Purposes (dates as indicated) (Sales/Use Tax Exemption).

There were no questions.

VII. BRIEFING:

A. Briefing to/from the Commission and the Executive Director. (for discussion only)

Director Young congratulated Terri Upton for her appointment to the position of Deputy Director over Compliance. Terry has 26 years of State of Nevada service and 22 years with the Department of Taxation.

Deputy Director Upton stated she is honored to be in this position and grateful for the confidence that Melanie has bestowed. Deputy Director Upton stated that she is looking forward to serving the rest of her years in this capacity. Thank you.

Director Young stated that the Department will be holding a modernization kickoff meeting next week. The Department received funding to replace its tax system and a group of individuals is being organized within the Department to head up this project.

The marijuana enforcement division has gone live with the Accela Case Management System. This is a multi-month rollout process which will find great efficiencies in the marijuana division and will start tracking the licensees, owners, officers, board members and compliance issues better. We are very excited about this.

Chairman DeVold asked to have more involvement from the commissioners in attending regulation workshops.

VIII. Next Meeting Date: January 27, 2020

IX. Public Comment.

There was no public comment.

X. Items for Future Agendas.

No items were discussed.

XI. Meeting was adjourned at 11:00 a.m.