

NEVADA TAX COMMISSION MEETING
MINUTES

January 23, 2023
9:00 a.m.

Members Present:

Tony Wren, Chairman
Ann Bersi, Commissioner
Francine Lipman, Commissioner
Jeff Rodefer, Commissioner
Randy Brown, Commissioner
H. Stan Johnson, Commissioner
Sharon Byram, Commissioner
Craig Witt, Commissioner

Chairman Wren called the meeting to order at 9:07 a.m.

I. Public Comment

There was no public comment.

Director Hughes administered an oath to all parties testifying.

II. Meeting Minutes:

A. Consideration for Approval of the December 5, 2022, Nevada Tax Commission Meeting Minutes.

Commissioner Brown stated that on page three of the minutes under Item III. C. 1), a vote was not recorded. Commissioner Brown made a motion to approve the minutes of the December 5, 2022, Nevada Tax Commission meeting, and to include the addition of the recorded vote of Item III. C. 1). Commissioner Rodefer 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) All-Tex Inc.
 - b) Kalifano LLC
 - c) KDS LLC
 - d) Minden Gas LLC
 - e) Mugshots Inc.
 - f) SGG Corporation Inc.
 - g) Speedy Recovery Inc.
 - h) Tool Guy LLC
 - i) Wildflower Collective

B. Waiver of Penalty and Interest Pursuant to a Request on a Voluntary Disclosure:

- 1) American Kennel Club Inc.
- 2) Aria Technologies Inc.
- 3) Bio-Medical Instruments Inc.
- 4) Brian Tooley Racing Inc.
- 5) Depop Limited
- 6) Mitchell and Ness LLC
- 7) Pentax of America Inc.

- 8) The Right Stuf Inc.
 - 9) USIC LLC
 - 10) World Wide Group LLC
- C. Waiver of Penalty and/or Interest Pursuant to NRS 360.419 that exceeds \$10,000:
- 1) Codale Electric Supply Inc.
 - 2) Seating Concepts Inc.
 - 3) Smithfield Packaged Meats Corp. Abate
 - 4) Mustang Leasing LLC
 - 5) CFR Auto LLC
 - 6) F21 OpCo LLC
- D. Department's Recommendation to the Commission for Approval of an Offer-In-Compromise pursuant to NRS 360.263:
- 1) Mark J. Kokowsky
 - 2) Ardelia M. Courson
 - 3) Adam Mallas

Commissioner Byram pulled Item III. B. 3) Bio-Medical Instruments Inc. for further discussion.

Chairman Wren pulled Item III. C. 6) F21 OpCo LLC for further discussion.

Commissioner Brown pulled Item III. D. 2) Ardelia M. Courson for further discussion.

Commissioner Lipman pulled Item III. D. 3) Adam Mallas for further discussion.

Commissioner Byram made a motion to approve the consent calendar excluding items III. B. 3), III. C. 6), III. D. 2), and III D. 3). Commissioner Witt seconded the motion. All in favor. Motion carries.

Item III. B. 3) Bio-Medical Instruments – Commissioner Byram asked why the check does not match the final amount stated. Karyn Ebright, Revenue Office II, was present on behalf of the Department. Ms. Ebright stated they had a bond amount that was due and the check was for the bond. Commissioner Byram made a motion to approve the matter of Bio-Medical Instruments. Commissioner Witt seconded the motion. All in favor. Motion carries.

Item III. C. 6) F21 OpCo LLC – Mixaly Arambula, Tax Program Supervisor II, was present on behalf of the Department. Ms. Arambula stated there were numbers transposed on the memorandum. The correct amount to waive, if the recommendation is approved, is \$16,538.17. The debt is comprised of \$14,764.16 penalty and \$1,774.01 interest. Commissioner Witt made a motion to approve the matter of F21 OpCo LLC, including the correction. Commissioner Bersi seconded the motion. All in favor. Motion carries.

Item III. D. 2) Ardelia M. Courson – Mixaly Arambula, Tax Program Supervisor II, was present on behalf of the Department. Commissioner Brown mentioned the taxpayer is 83 years old and her total monthly income is \$652.00. Commissioner Byram stated the Department did everything right in this case, but the Commission does have some discretion in these types of decisions. Commissioner Lipman thanked the taxpayer for negotiating and for wanting to do her best to resolve her tax obligation. Commissioner Brown made a motion for the Commission to forgive the remaining debt of the Ardelia M. Courson, which is approximately \$800.00. Commissioner Byram seconded the motion. All in favor. Motion carries.

Item III. D. 3) Adam Mallas – Adam Mallas was present. Mixaly Arambula, Tax Program Supervisor II, was present on behalf of the Department. Commissioner Lipman stated there is a correction to the offer-in-compromise, which was for 240 payments of \$450.00, for a total liability of \$103,000.00. The math was incorrect. The correction is 229 payments of \$450.00, which equals \$103,000.00. Commissioner Lipman stated the first payment should start in 30 days. Commissioner Lipman moved to approve the offer-in-compromise of Adam Mallas. Commissioner Bersi seconded the motion. All in favor. Motion carries.

IV. LOCAL GOVERNMENT SERVICES DIVISION:

A. Consideration of the Administrative Law Judge’s Recommended Decision regarding an Appeal of a Property Tax Abatement pursuant to NRS 361.4734:

1) Carl F. and Rebecca M. Haferd (NTC 22-101)

Jeffrey Mitchell, Deputy Executive Director, was present on behalf of the Department. Carl Haferd was present. Lora Zimmer, with the Washoe County Assessor’s office was present. Rosalie Bordelove, Chief Deputy Attorney General, was present on behalf of the Commission. This matter was tabled from the December 5, 2022, Nevada Tax Commission meeting. Commissioner Byram stated the questions that were before the Commission are the base year to be reset and what can be done with the computer system constraints. The appeal was for 2021/22. Commissioner Byram moved to adjust the Administrative Law Judge’s decision to allow for an adjustment to the 2018/19 evaluation year that reflects the change of the residence going from a private residence to a 3% cap residence. Commissioner Brown stated he is not suggesting that the Assessor’s office did anything wrong in this case, it is just a special circumstance. The Commission agreed with Commissioner Brown’s statement. Commissioner Brown seconded the motion. All in favor. Motion carries.

B. Consideration for Approval of a Appointment to the Appraiser Certification Board:

1) Richard Ewell

Jeffrey Mitchell, Deputy Director, was present on behalf of the Department. Mr. Mitchell introduced and highly recommended Mr. Ewell for the appointment to the Appraiser Certification Board. Richard Ewell was present. Mr Ewell stated that the Board oversees and recommends procedures, tests and classes to keep the assessment community up-to-date. The Board governs everything at the assessors’ level and is basically continuing education for assessors. Mr. Ewell stated that in his position, he was basically the assessor to giant corporations, such as AT&T, Delta Airlines, and the railroads. Commissioner Brown made a disclosure that AT&T is his employer and they are no longer centrally assessed. Commissioner Byram made a motion to approve the appointment of Mr. Richard Ewell to the Appraiser Certification Board. Commissioner Witt seconded the motion. All in favor. Motion carries.

V. COMPLIANCE DIVISION:

A. Taxpayer’s Appeal of Administrative Law Judge’s Decision pursuant to NRS 360.245 and NAC 360.175:

1) Karizma Lounge, LLC

Natasha Gebrael, Deputy Attorney General, was present on behalf of the Department. Theresa Mains, Esq., was present on behalf of the taxpayer. Ms. Gebrael stated that she was just made aware that Ms. Mains is representing the taxpayer. Ms. Gebrael stated the Department has no objection to the representation. Ms. Mains stated the matter is fully briefed. Commissioner Byram moved to uphold the Administrative Law Judge’s decision. Commissioner Lipman seconded the motion. All in favor. Motion carries.

2) Broadacres Swap Meet

Natasha Gebrael, Deputy Attorney General, was present on behalf of the Department. Rick Campbell, with Kaempfer Crowell, was present on behalf of the taxpayer. Commissioner Lipman commended both attorneys and made a motion to uphold the Administrative Law Judge's decision and to resurrect the waiver of penalties if paid within 30 days of this date. Commissioner Byram seconded the motion. All in favor. Motion carries.

B. Consideration to Appoint Chris Carrello, Audit Manager, as a Delegate to the Streamlined Sales Tax Agreement Governing Board pursuant to NRS 360B.110(5).

Shellie Hughes, Executive Director, was present on behalf of the Department. The State of Nevada is allowed up to four delegates to the Streamlined Sales Tax Agreement Governing Board. Shellie Hughes, Guy Childers and Senator Dina Neil, are Nevada's current delegates. Commissioner Witt made a motion to approve Chris Carrello as a delegate to the Streamlined Sales Tax Agreement Governing Board. Commissioner Brown 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.

Shellie Hughes, Executive Director, reported that Governor Joe Lombardo was sworn into office on January 2, 2023. Governor Lombardo reappointed Director Hughes as the Executive Director to the Department on January 6th. Since taking office, Governor Lombardo has released four executive orders. Two of them have a direct impact on the Department of Taxation. The first executive order is 2023-002, which provides that all state agencies must develop a plan to insure that State workers return to pre-pandemic normal and customary office conditions by July 1, 2023. The executive team is currently working on a transition plan to bring those staff members that are working from home back into the office. The next executive order is 2023-003 which orders a freeze on the issuance of new regulations and requires a review of existing regulations by all executive branch agencies, departments and boards and commissions. Pursuant to the order, on or before May 1, 2023, the Department will provide a report to the Governor's Office detailing how our regulations can be streamlined, clarified, reduced or otherwise improved to insure that those regulations provide for the general welfare of the State. As part of the report, the Department is required to provide a list of not less than ten regulations recommended for removal, and we need to rank them in order of priority. Another section of the order provides that no new regulation shall be proposed, approved or acted upon until the executive order is rescinded unless the proposed regulation falls under one of the six exemptions listed in the order. If the proposed regulation qualifies for an exemption, the Department is required to submit a report to the Governor's Office, identify the exemption that applies and to detail the problem, the regulation it addresses, and why it cannot be solved by other forms. The Department is currently working on this order. We are performing a comprehensive review of our regulations and we will be working on the required report. Prior to submitting the report, we will be bringing the report to the Commission for a public hearing with key industry stakeholders to solicit input on changes and to identify any other regulatory changes. Any input will be included in the report. Director Hughes mentioned several important upcoming events. The State of the State is tonight at 6:00 p.m. in the assembly chamber of the Legislative building in Carson City. The Legislative session begins on February 6th and will end on June 5th. The Department's annual report was delivered to the Governor prior to January 15th, as required by statute.

VIII. Next Meeting Date: March 6, 2023

IX. Public Comment.
There was no public comment.

X. Items for Future Agendas.
No items were discussed

XI. Meeting adjourned at 11:19 a.m.