

MINUTES

Nevada Tax Commission Meeting

GAMING CONTROL BOARD
1919 College Pkwy, Suite 100
Carson City, Nevada

VIDEO CONFERENCE

GAMING CONTROL BOARD
Grant Sawyer State Office Building
555 E Washington Avenue, Room 2450
Las Vegas, Nevada

January 26, 2015

Commission Members Present:

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

Department of Taxation Staff Present:

Deonne Contine, Executive Director
Blake Doerr, Chief Deputy Executive Director
Paulina Oliver, Deputy Director
George Hritz, Management Analyst III
Cory Roberts, Administrative Assistant IV
Christine Platt, Tax Examiner II
Lizette Arceo, Revenue Officer III
Gerry Perry, Supervising Auditor
John DeNorcey, Auditor II
Mary Patton, Tax Program Supervisor III
Scott Olson, Revenue Officer II
Bruce Courtney, Tax Manager
Laura Dorobantu, Auditor III
Jorge Pupo, Tax Manager
John Roberts, Auditor II
Tina Padovano, Executive Assistant

Attorney General Staff Present:

Melissa Flatley, Deputy Attorney General
Vivienne Rakowsky, Deputy Attorney General
David Pope, Senior Deputy Attorney General

Andrea Nichols, Senior Deputy Attorney General

Guests Present:

June Ballestraeze – Vegas Memories, Inc.
Don Polednak – Wild West New Ventures, Inc.
John Lee – 1 800 Flowers Vegas
Esther Lee – 1 800 Flowers Vegas
Elizabeth Diaz-Lopez – Imperial Furniture
Christopher Healey – Tu Casa, Inc.
Leficia Mitchell – Tu Casa, Inc.
Joyce Kwan – Kwong Yet Lung Co.
Jeny Milosevic
Allen Dunford – Times Up, Inc., dba H&H Enterprises
Debra Lozano - ADL Enterprises Incorporated dba Lemstone Christian Stores
Anthony Lozano - ADL Enterprises Incorporated dba Lemstone Christian Stores
Ann-Marie Cutcher – Credit Card Management Services (Via Telephone)
Dan Levey - Parents of Murdered Children (Via Telephone)
Linda Giles - Bill Giles Motor Co. (Via Telephone)

Meeting commenced at 9:03 a.m.

Chairman Barengo welcomed everyone to today’s meeting. The Chairman acknowledged Blake Doerr as the new Chief Deputy Executive Director and Tina Padovano as the new Executive Assistant.

I. ****Public Comment**

There was no public comment.

Director Contine swore in the participants of today’s meeting.

II. CONSENT CALENDAR¹:

A. Matters of General Concern:

- 1) Bonds Administratively Waived (dates as indicated) (Sales/Use Tax).
 - 1) Buldogis Ventures Inc.
 - 2) Coney Island Hot Dogs of Nevada Inc.
 - 3) BMH Ventures Inc.
 - 4) Fifth Avenue Ice Cream of Nevada Inc.
 - 5) Bonanno Restaurants LLC
 - 6) Tu Casa Inc.
 - 7) Pepes Tacos
 - 8) Vegas Memories Inc.
 - 9) Jarnail S Jhawar
 - 10) Bico Amber LLC
 - 11) Mar Y Tierra LLC
 - 12) Veritasfaytheten LLC

- 13) Elizabeth J Diaz Lopez
- 14) Veritasfaytheeleven LLC
- 15) Premiere Pretzels of Nevada Inc.
- 16) Shamouns LLC
- 17) Star Lites Auto Glass LLC
- 18) Rodolfo El Reno
- 19) Umana & Figs LLC
- 20) Reno Asian Supermarket LLC
- 21) Quality Control Systems Inc.
- 22) J & L Chase Inc.
- 23) Waltons Inc.
- 24) KY Investment Group Inc.
- 25) Richardson Pool & Spa Inc.
- 26) Harbor Palace Inc.

- B. Consideration for Approval of Payment Plan Request:
New Payment Plans – Current (Sales/Use and/or Modified Business Tax)
1) Freije Treatment Systems Inc.
- C. Consideration for Approval of Payment Plan Request: 12 Month Review
(Sales/Use and/or Modified Business Tax):
1) Environmental Ink LLC
2) Hattitude
3) Orange Cat Enterprises LLC dba Avatar Comics and Games
4) Sin City Liquor Inc. dba Sin City Liquor
5) Vinny's Pizza Inc dba Villa Pizza
- D. Waiver of Penalty and/or Interest Pursuant to NRS 360.419 that exceeds
\$10,000:
1) Kwong Yet Lung Company Incorporated
2) Hycroft Resources and Development Inc.
3) Wild West New Ventures, Inc., dba Direct Buy of Las Vegas
- E. Waiver of Penalty and Interest Pursuant to a Request on a Voluntary
Disclosure (Sales/Use Tax and/or Modified Business Tax):
1) Crimson Trace Corporation
2) Iolo Technologies, LLC
3) Kenco Engineering, Inc.
4) MDQ Vegas LLC
5) Newbury Comics, Inc.
6) Ryder Fuel Services LLC
- F. Approval of Proposed Audit Findings Regarding Substantial Compliance
Under Economic Development Program:
1) French Gourmet, Inc.
2) Ameriprise Financial, Inc.
3) Urban Outfitters, Inc.

- G. 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 5 years due and collection being impossible or impracticable.

Commissioner Lambert made a motion to approve the Consent Calendar as a whole. Commissioner DeVold seconded the motion. All in favor. Motion carried unanimously.

III. COMPLIANCE DIVISION:

- A. Petition for Reconsideration of Department's Denial of Exemption Status for Organization Created for Religious, Charitable or Educational Purposes (Sales/Use Tax):

- 1) Credit Card Management Services, Inc.

Ann-Marie Cutcher joined the meeting via telephone for Credit Card Management Services, Inc. Andrea Nichols, Senior Deputy Attorney General, represented the Department of Taxation. Chairman DeVold made a motion to uphold the Department's denial of exemption. Commissioner Witt seconded the motion. All in favor. Motion passed unanimously.

- 2) Parents of Murdered Children

Melissa Flatley, Deputy Attorney General, represented the Department of Taxation. Dan Levey, Executive Director, of Parents of Murdered Children joined the meeting via telephone for the company. Commissioner Lambert moved to deny the request for abatement and to uphold the Department's denial. Commissioner Kelesis motioned to grant the abatement. Commissioner Lambert's motion was seconded by Commissioner Sheets. All in favor to uphold the Department's denial, except for Commissioner Kelesis, who opposed the motion. Motion carried by majority.

- 3) A.G.R CO-OP

Melissa Flatley, Deputy Attorney General, represented the Department of Taxation. Commissioner Witt made a motion to uphold the Department's Denial. Commissioner DeVold seconded the motion. All in favor. Motion carried unanimously.

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

- 1) ADL Enterprises Incorporated dba Lemstone Christian Stores

Lizette Arceo represented the Department of Taxation. Debra and Anthony Lozana appeared for ADL Enterprises Incorporated. ADL Enterprises made an offer of \$2,500.00 to the Department of Taxation. Commissioner Sheets made a motion to accept the offer. Commissioner Bersi seconded the motion. All in favor. Motion carried unanimously.

2) Bill Giles Motor Co.

Linda Giles joined the meeting via telephone for Bill Giles Motor Co. Marian Singleton represented the Department of Taxation. Commissioner Kelesis moved to approve Bill Giles Motor Company's offer to the Department. Commissioner Sheets seconded the motion. All in favor. Motion carried unanimously.

C. Taxpayer's Appeal of Hearing Officer's Decision (Sales/Use Tax):

1) Times Up, Inc., dba H & H Enterprises

Vivienne Rakowsky, Deputy Attorney General, appeared before the Commission for the Department of Taxation. Mr. Dunford was present for Times Up, Inc., dba H&H Enterprises. Commissioner Lambert made a motion to uphold the hearing officer's decision. Commissioner Witt seconded the motion. All in favor. Motion carried unanimously.

D. Taxpayer's Appeal of the Department's Decision Denying Taxpayer's Late Filed Petition for Redetermination (Sales/Use Tax Deficiency)

1) 1 800 Flowers Vegas

Andrea Nichols, Senior Deputy Attorney General, and George Hritz appeared before the Commission for the Department of Taxation. John Lee, Esq. and Esther Lee appeared for 1 800 Flowers Vegas. Mr. Lee agreed to respond to the Department on the taxpayer's behalf. Commissioner Kelesis made a motion to grant the taxpayer's appeal to approve the redetermination and allow the taxpayer to supply the information to the Department. Commissioner Sheets seconded the motion. All in favor. Motion carried unanimously.

IV. COMPLIANCE DIVISION:

A. Discussion and possible action regarding Technical Bulletin 15-0001 Taxation of Interstate Retail Sales of Firearms

Blake Doerr, Chief Deputy Executive Director, for the Department of Taxation presented Technical Bulletin 15-0001. There was no public Comment. Commissioner Witt made a motion to approve Technical Bulletin 15-0001. Commissioner Kelesis seconded the motion. All in favor. Motion carried unanimously.

V. 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).

Material was submitted to the Commission.

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

Material was submitted to the Commission.

3) Annual Report for Delinquency Payments (dates as indicated)

Material was submitted to the Commission.

VI. BRIEFING:

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

1) Biennial Report pursuant to NRS 360.105

Director Contine explained that taxpayers are now directed to make payments online. There was a significant increase in complaints from taxpayers when registering and paying online, and there were some browser problems which have now been corrected. The Department has hired someone to correct these issues. Complaints have decreased.

2) Department's 2016/2017 Budget Summary

The Department has a pre-session budget hearing this Wednesday, January 28, 2015. Director Contine will be including a budget summary to legislators. The Department is asking for someone that can help with economic forecasting. The Department will also be asking for a security person in IT. There have been mass breaches in security systems across the country.

3) Summary of the Department's Legislation for the 2015 Nevada Legislative Session

Director Contine reported the Department has a cleanup bill; and a bill regarding the presumption on interstate commerce based on the Harrah's case. A Bill Draft Request has been submitted regarding reform of the Business License fee.

VII. Next Meeting Date: March 9, 2015

VIII. **Public Comment.

There was no public comment.

IX. Items for Future Agendas

No items for future agendas were discussed.

X. Adjourn

The meeting adjourned at 11:32 a.m.