

NEVADA TAX COMMISSION MEETING
MINUTES

October 7, 2024
9:00 a.m.

Members Present:

George Kelesis, Chairman
Thom Sheets, Commissioner
Caryn Adelhoch, Commissioner
Jeff Rodefer, Commissioner
H. Stan Johnson, Commissioner
Sharon Byram, Commissioner
Craig Witt, Commissioner (Virtual)
Ryan Bellows, Commissioner

I. Call the meeting to order and establish a quorum.

Chairman Kelesis called the meeting to order. A quorum was established.

Chairman Kelesis stated Items IV. C. 1) Apple Inc., IV. C. 2) Conticast Hormesa, LLC, IV. C. 3) Terrible Herbst, V. C. 2) The C Store Depot Inc. and VI. A. 1) Trilogy Leasing Co., LLC have been withdrawn from today's agenda.

II. Public Comment.

Ron Voigt commented on the written public comment that was received from Mr. Levine with Reed and Smith, LLC on behalf of Greyhound Inc. Mr. Voigt stated, Mr. Levine's two recommendations make a lot of sense; and Mr. Voigt asked the Commission to consider the recommended actions. Mr. Voigt offered his services to Executive Director Hughes.

Kenneth Levine with Reed Smith, LLC on behalf of Greyhound Lines, Inc. – We are providing this comment regarding the Marquis Motor Coach decision that was issued by the Clark County District Court holding that the imposition of a transportation connection tax on interstate transportation was pre-empted by federal law. Greyhound is commenting today because its interest in this issue is particularly important as the largest provider of intercity bus transportation in the United States with bus lines that originate inside Nevada and terminate outside. Greyhound, like many others, has been impacted by the State's imposition of this tax on interstate transportation. Greyhound currently has an appeal pending before the Nevada Department of Taxation Administrative Law Judge on this exact issue. This tax has been imposed on the Greyhound interstate transportation, so I am providing this comment today to reiterate what was submitted in writing and to request that the Commission take two actions to ensure the orderly administration of this tax in accordance with federal law. First, we request that the Commission direct the Department of Taxation to adopt and publish formal guidance confirming once and for all that the transportation connection tax does not apply to interstate passenger or transportation by motor carriers. This will give proper notice to all interested parties, all businesses that provide interstate transportation that it doesn't apply, and it should reduce burdens on the Department, as mentioned by the prior commenter. Secondly, we would request that the Commission direct the Department to follow the Marquis Motor Coach decision and to grant relief from the transportation connection tax imposed on interstate transportation in any other pending appeals including Greyhound and any other timely filed refund claims on this issue, and of course we believe this would reduce the administrative burden on all interested parties, on the Department and

on motor carriers; and it would avoid any confusion or non-uniform treatment that could result from the Department pursuing further appeals of this issue. Thank you.

Director Hughes administered an oath to all parties testifying.

III. MEETING MINUTES:

A. Consideration for Approval of the August 14, 2024 Nevada Tax Commission Meeting Minutes.

Commissioner Sheets made a motion to approve the August 14, 2024, Nevada Tax Commission Meeting Minutes. Commissioner Byram seconded the motion. All in favor. Motion carried.

IV. CONSENT CALENDAR:

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

- 1) Augusta Westland Philadelphia Corporation
- 2) Amplifon Hearing Health Care Corporation
- 3) Block Imaging International LLC
- 4) Krannich Solar West LLC
- 5) Southland Grid Structures LLC
- 6) Stacks Bowers Numismatics LLC
- 7) Veja North America Inc.
- 8) WeTheHobby

B. Waiver of Penalty and/or Interest Pursuant to NRS 360.419 that exceeds \$25,000:

- 1) Comprehensive Care Services Inc.
- 2) Nevada Italian Restaurant Group, LLC
- 3) Carina Alaniz dba Los Gallos
- 4) Olaplex Inc.
- 5) National Football League

C. Approval of Refund Request in Excess of \$250,000:

- 1) Apple Inc.
- 2) Conticast Hormesa, LLC
- 3) Terrible Herbst

Items C. 1), 2) and 3) were withdrawn. No action was taken.

D. Consideration for Approval of the Recommended Settlement Agreements and Stipulations:

- 1) Blackout Inc.

E. Departments Recommendation to the Commission for Approval of a Payment Plan Request:

- 1) True Colors Inc., dba Integrity Customs

- F. Department's Recommendation to the Commission for Approval of an Offer-In-Compromise pursuant to NRS 360.263:
 - 1) Luis F. Villagran-Quiroa for the debts of Villagran's Pizzeria LLC
- G. Consideration for the Adoption of the Administrative Law Judge's Proposed Decision concerning an Appeal of the Department's Denial of Exempt Status for Organization created for Religious, Charitable or Educational Purposes, pursuant to NRS 372.3261:
 - 1) The Sparks High School Alumni Foundation

Commissioner Rodefer made a motion to approve the consent calendar not including items IV. B. 1), IV. B. 2), IV. B. 5), IV. E. 1) and IV. F. 1) which were pulled from the consent calendar for further discussion. Commissioner Bellows seconded the motion. All in favor. Motion carried.

Commissioner Adelhoch – Item IV. B. 1) Comprehensive Care Services Inc. Commissioner Adelhoch asked if the Commission could receive information regarding taxpayers' payment history. She mentioned situations where a payroll company takes over and a taxpayer assumes they are doing their job. Commissioner Adelhoch asked if there is a system to alert the taxpayer when they are late to file. This particular taxpayer was two years late and it seems like a long time for the taxpayer not to have been contacted by the Department. Commissioner Adelhoch made a motion to approve the waiver for Comprehensive Care Services, Inc. Commissioner Sheets seconded the motion. All in favor. Motion carried.

Commissioner Byram - IV B 2) Nevada Italian Restaurant Group LLC. Commissioner Byram stated the company ceased operations and asked why it resulted in a credit rather than a refund. Mixaly Arambula, Tax Program Supervisor, stated this is the old Macaroni Grill and said the company is operating out of state. They can request a refund once they are aware. Commissioner Byram made a motion to approve the waiver for Nevada Italian Restaurant Group LLC. Commissioner Rodefer seconded the motion. All in favor. Motion carried.

Commissioner Sheets - IV B. 5) National Football League (NFL). Commissioner Sheets asked if the NFL had communicated with the Department. Rachel Peterson, Tax Program Supervisor, was present on behalf of the Department. She stated the Department spoke with the NFL on January 22nd when the Department was made aware that the NFL was not registered for Live Entertainment Tax (LET). The Department reached out to them. Commissioner Sheets asked if the Department advised the NFL that LET is due after an event. Ms. Peterson stated the Department did not advise the NFL that LET is due after an event. She stated, as soon as we were made aware, we reached out to them and advised them the tax is due the month the ticket is sold. Bradley Firestone was present on the telephone on behalf of the NFL. Mr. Firestone stated the NFL misunderstood the law. Commissioner Sheets made a motion to deny the waiver for the NFL. Commissioner Byram seconded the motion. All in favor. Motion carried.

Commissioner Rodefer – Item IV. E. 1) True Colors Inc. dba Integrity Customs. Commissioner Rodefer stated the taxpayer is going to be paying for 19 years and 3 months. Kathy Fey stated the taxpayer will provide new financial information yearly and the payment should go up. Commissioner Rodefer made a motion to approve the payment plan for True Colors Inc. dba Integrity Customs. Commissioner Byram seconded the motion. Commissioner Sheets voted no. Motion carried.

Commissioner Byram - IV F 1) Luis F. Villagran-Quiroa for the debts of Villagran's Pizzeria, LLC. Commissioner Byram asked that the Department confirm that this matter is for approval of an offer-in-compromise. Mixaly Arambula, Tax Program Supervisor, stated there was an error in the documents. The Department is recommending an approval. Commissioner Byram made a motion to

approve the offer-in-compromise of Luis F. Villagran-Quiroa for the debts of Villagran's Pizzeria LLC. Commissioner Bellows seconded the motion. All in favor. Motion carried.

V. COMPLIANCE DIVISION:

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

- 1) George's and George's LLC dba LV Cars

Andrea Nichols, Senior Deputy Attorney General, was present on behalf of the Department. Daniel Chappell, Auditor, was present on behalf of the Department. A representative for George's and George's LLC dba LV Cars was not present. Commissioner Byram made a motion to uphold the Administrative Law Judge's Decision. Commissioner Rodefer seconded the motion. All in favor. Motion carried.

- 2) The C Store Depot Inc.

Item V. A. 2) was withdrawn. No action was taken.

B. 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, was present on behalf of the Department. Commissioner Witt made a motion to approve 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 years due and collection being impossible or impracticable. Commissioner Sheets seconded the motion. All in favor. Motion carried.

VI. LOCAL GOVERNMENT SERVICES:

A. Taxpayer's Appeal of the Treasurer's Denial of Waiver of Penalty and/or Interest per NRS 361.4835 (Clark County):

- 1) Trilogy Leasing Co., LLC

Item VI. A. 1) was withdrawn. No action was taken.

B. Determination and Allocation of Certification of Centrally Assessed 2024-2025 Unsecured and 2025-2026 Secured Unitary Property Valuations and Assessments pursuant to NRS 361.320, NRS 361.321 and 361.323.

Sorin Popa, Supervisor Centrally Assessed Properties, was present on behalf of the Department. Commissioner Sheets made a motion to approve the allocation and certification of Centrally Assessed 2024-2025 unsecured and 2025-2026 secured unitary property valuations and assessments pursuant to NRS 361.320, NRS 361.321 and NRS 361.323. Commissioner Byram seconded the motion. All in favor. Motion carried.

- C. Review and Consideration to Approve an Addendum to Bulletin 214, 2025-2026 Agricultural Land Values and Open Space Property Procedures to Include Tables Relating to the Valuation of Open-Space Golf Course Land and Improvements.

Cheryl Erskine, Coordinator Assessment Standards, was present on behalf of the Department. Commissioner Witt made a motion to approve the addendum to Bulletin 214, 2025-2026 agriculture land values and open space property procedures to include tables relating to the valuation of open space golf course land and improvements. Commissioner Rodefer seconded the motion. All in favor. Motion carried.

VII. REGULATIONS:

- A. Consideration for Adoption of Permant Regulation LCB File No. R036-24. A Regulation relating to taxation; revising provisions relating to the determination of the taxable value of land within a qualified subdivision; revising provisions relating to the partial abatement of property taxes; providing that staff who provide orientation in certain hearings held before the Nevada Tax Commission are staff of the Department of Taxation; repealing various provisions relating to property tax; and providing other matters properly relating thereto.

Yvonne Nevarez-Goodson, Chief Deputy Executive Director, was present on behalf of the Department. Chief Deputy Nevarez-Goodson presented LCB File No. R036-24 to the Commission.

Public Comment (LCB File No. R036-24): Mary Ann Weidner with the Clark County Assessors Office stated we appreciate the Department's work on this. We have had several conversations and workshops and I think we have come to a good conclusion. We agree with the final LCB language and are in agreement with the Department's conclusions. Thank you.

Commissioner Sheets made a motion to approve LCB File No. R036-24. Commissioner Bellows seconded the motion. All in favor. Motion carried.

VIII. INFORMATIONAL ITEMS:

- A. Penalty and Interest Waivers granted by the Department for Sales/Use Tax, Commerce 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).
- C. Bonds Administratively Waived (dates as indicated) (Sales/Use Tax)

IX. BRIEFING:

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

Shellie Hughes, Executive Director - The Department is counting down. We have 62 days until project MYNT phase one goes live. Staff started training on the new system at the end of September, and we have also started end-to-end testing which is the final step. End-to-end testing is like a dress rehearsal before we cut over into MYNT. This testing activity uses the full functionality of the system to replicate daily business activities with converted data. Phase one will go live on December 9th, so that will be five days after our next Commission meeting in December. As part of our modernization, the Department is going cashless with the exception of very limited circumstances for businesses required to legally operate with cash. Starting October 24, 2024, the Department will no longer accept cash payments. All payments must be submitted either online, by credit card, personal business or cashier's check or money order. By moving to a cashless system, the Department is improving the

efficiency and security of its services and aligning with contemporary best practices. The Nevada National Guard Nevada Day holiday is October 25 - 27 this year. Only Nevada sales tax on sales made in or delivered to the Guard members or qualifying relatives in Nevada during the Nevada Day holiday qualify for a refund. Guard members received a letter of exemption if they applied to their unit full-time administrative personnel by September 10th. If a Guard member has a letter of exemption, they can make a purchase during the Nevada Day holiday to qualify for the refund. They will pay the sales tax due to the retailers on those purchases made during the exemption status period. They need to keep all receipts to request a refund of the sales tax paid during the exemption status period and then they will submit their refund request to the Department no later than 30 calendar days after the date of purchase.

X. NEXT MEETING DATES: October 8, 2024, and December 4, 2024.

XI. PUBLIC COMMENT.

Daniel Atehortua asked if Item IV. C. 2) was adopted or postponed. Chairman Kelesis explained that this item was withdrawn from today's agenda and will be heard at the next meeting of the Commission.

XII. ITEMS FOR FUTURE AGENDAS. (for discussion only)

No items were discussed.

XIII. ADJOURN.

Meeting adjourned at 9:56 a.m.