

February 14, 2025

Nevada Tax Commission
3850 Arrowhead Drive, 2nd Floor
Carson City, NV 89706

Subject: Comments to the Department's presentation before the Senate Committee on Finance and Assembly Committee on Ways and Means, Subcommittees on General Government held on February 6, 2025.

Executive Director Hughes, you cannot provide fair, efficient, and effective administration of tax program as mentioned in the Budget's program description unless Taxpayers are treated with courtesy, fairness, uniformity, consistency, and COMMON SENSE by the Department as required by the Nevada Taxpayers' Bill of Rights (NRS 360.291.1.(a)).

Response to Mr. Starr, Enterprise Project Manager, testimony: If you think that the system conversion has gone well, I will use a verse line from a George Strait song (as you can see, I am a big country music fan and am from Texas), "I have some Ocean Front Property to sell you in Arizona." You blame the problems on employees and/or Taxpayers for not following procedures shown in a video. They are not the ones that made the decision to change Taxpayers' account number without providing written notification (which by-the-way is required by the NRS) to them. You fail to realize that a lot of Taxpayers do not have email or access to the Internet. Time is money for a small business and the best way to communicate with them is through the United States Postal Service. Taxpayers who are appealing the Department's audit billings are receiving a statement of accounts showing what is being called "outstanding tax liabilities." Audit billings do not become "outstanding tax liabilities" until the courts have ruled against the Taxpayers. This is a form of "harassment" which is prohibited by Nevada Revised Statute (NRS) 360.291.1.(n). This NRS is also known as the Nevada Taxpayers' Bill of Rights. As mentioned by the Subcommittee members, Cyber Security needs to be on the top burner of any computer system!!! My suggestion is you contact Accenture which is a company that is well verse in cyber security issues. I have a very good contact in their Houston office (my oldest twin daughter). She is ISC2 Cyber Security Certified.

Response to Ms. Nevarez-Goodson, Chief Executive Deputy, testimony: The reason for the back log of Taxpayer appeals is "POORLY DONE AUDITS." You are incorrect when you say the back log started in May 2024. When I retired in January 20, 2021, there was a back log. The backlog would be larger if Executive Director would seek "Truth" over "Procedure" when a late filed "Requested for Hearing" was submitted by a Taxpayer. Equitable tolling for an appeal is appropriate where the only basis for denial is a procedural technicality and prejudice to the Tax Department is absent. Equitable tolling is a legal principle that allows courts to extend the deadline for filing a claim such as an appeal. It is based on the idea of fairness and equity. Sounds like what is required in the Nevada Taxpayers' Bill of Rights. Martin Luther King Jr said "the truth will set you free."

Response to Ms. Hughes, Executive Director, testimony: I fully agree with adding a Tax Manager position in the Revenue section. I do not agree with bringing legal counsel in house due to the issue of independence. The Administrative Law Judge (ALJ) reports to you which already shows an appearance of a conflict of interest to the public. Granted, for the last few years, the Tax division at the Attorney General office has refused to use professionalism by showing dissent, which could have helped to avoid poorly done audits getting through the cracks and reach the point we are at now (large refunds). The same could be said of the Executive Review Section which reports to you and could of have helped to stop the poorly done audits being issued by the audit section. Strongly consideration needs to be given to "cease" the audit section or at least give it a "time out." There is a lot of public mistrust of the Department due to the poorly done audits. The audit section is not an asset but a costly liability to the Department, public, and Taxpayers. Give the Department time to regain that public trust by providing better customer service. If not, you will continue to build a big hole for yourself. I recommend you move that funding to the Revenue Section which can never have too much funding. As for the funding you have requested for in house counsel, that funding needs to be used to hire more ALJs. The sooner the cases gets to Nevada Tax Commission, District Court, and the Nevada Supreme Court, the better for the Department and public in the long run. Although the District Court has told you to refund the monies and the Nevada Tax Commission has told you not to appeal, my intuition tells me you are getting prepared to continue the fight on Nevada Transportation Connection (also known as the Passenger Transportation Tax according to the Department) tax refunds. A waste of taxpayer funds in providing you legal counsel and everyone's time. You are attempting to keep a group of Taxpayers from doing a class action suit. Do you not remember the Food Comps tax refunds were done by a class action suit filed by the Casinos so a precedent has been set by the Nevada Supreme Court. There is a saying "It takes more of a person to admit when they are wrong. My intuition also tells me that you are wanting to play the delay tactic because you know that time is one thing on your side. The more time it takes for you to admit your wrong, the more legal fees that the Taxpayers pay to lawyers. Subcommittee members and Commissioners need to be aware that large sales and use tax refunds are on the horizon due to poorly done audits of auto repair shops, construction contractors, flower shops, optometrists, and service only businesses such as dog boarding and personal chef. The audit section needs to stop looking at Taxpayers as the enemy and use the audits as a time to educate the public. If they are not willing to do that then it is better to cease the audit section and avoid more costly poorly done audits. There was a well-known Deputy Executive Director that told me the same thing when I joined the Department in 2002 and I thought he was wrong but unfortunately, he was not wrong. Audit management needs to quit trying to change Tax Statute (Law). They need to follow the Tax Statute Law not interpret Tax Statute (Law). Leave the interpretation of Tax Statute (Law) to the courts. The Nevada Legislature needs to pass a law that allowed refund of legal fees for the Taxpayer when negligence on the part of the Department. A pre-determined audit come is negligence. That available action with discourage poorly done audits.

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Thank You and Be Safe,
Ron Voigt