



STATE OF NEVADA
STATE BOARD OF EQUALIZATION

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Shellie Hughes
Secretary

In the Matter of:)

Nevada Department of Taxation,)

PETITIONER)

vs.)

Southwest Village Preservation, LP,)

RESPONDENT)

Case No. 24-109

NOTICE OF DECISION

Appearances

Jeffrey Mitchell appeared on behalf of the Nevada Department of Taxation (Department).

Steven Polikalas appeared on behalf of Southwest Village Preservation, LP. (Taxpayer).

Summary

This matter came before the State Board of Equalization (Board) for a hearing on March 25, 2024, in Carson City, Nevada and via Zoom. The Board considered whether a low-income tax exemption on the Taxpayer's property that was inadvertently removed for the 2021-2022 tax year may be reinstated by the Board.

FINDINGS OF FACT

1. The Board is an administrative body created pursuant to NRS 361.375.
2. The Taxpayer's low-income housing exemptions for the 2021-2022 and 2022-2023 tax years were appealed to the Washoe County Board of Equalization. The County Board determined it had jurisdiction over the exemption for 2022-2023 tax year, but not over 2021-2022 tax year.

3. The Department of Taxation filed this appeal given the unusual circumstances regarding this matter as described herein.
4. The Taxpayer filed for the low-income housing exemption in the 2021-2022 tax year and received approval regarding its applicability.
5. The property was sold around December of 2021, i.e., during the 2021-2022 secured tax roll period.
6. There was no change in use of the property following the sale of the property that would justify the removal of the low-income tax exemption.
7. Despite the evidence indicating that it was the normal practice of Washoe County to not remove tax exemptions mid-year if the use has not changed, at some point the exemption was removed by Washoe County and a tax lien for unpaid taxes was levied against the property.
8. As late as August of 2023, the Washoe County tax data showed that the property was still exempt in the 2021-2022 tax year notwithstanding the existence of the tax lien.
9. Because the Washoe County website indicated that the 2021-2022 exemption was still in place, the Taxpayer was unaware of the removal of the exemption as well as the need to file an appeal.
10. The Taxpayer did not learn of the removed exemption until the Taxpayer received notice of a tax lien in May 2023, at which time, the deadline for filing an appeal for the 2021-2022 tax year had expired.
11. The Washoe County Treasurer does not oppose reinstating the exemption, which would remove the tax lien, penalties and interest associated with the removal of the exemption.
12. The Department supports reinstating the exemption.
13. The February 27, 2023, Notice of Decision from the Washoe County Board of Equalization regarding this matter authorized the Taxpayer to appeal to the Board.
14. An appeal was timely filed with the Board.
15. Any finding of fact above construed to constitute a conclusion of law is adopted as such to the same extent as if originally so designated.

CONCLUSIONS OF LAW

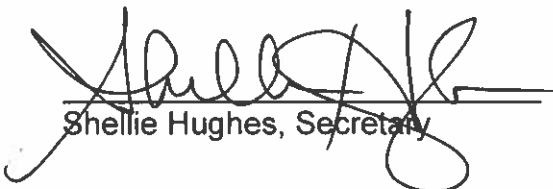
1. The Board has jurisdiction to hear this matter under NRS 361.360 and NRS 361.400.

2. The Board has the authority to review whether tax exemptions have been improperly denied or granted because exemptions are a component of the assessed tax, and therefore are subject to the equalization process.
3. Tax exemptions are meant to accomplish a public purpose and denying an otherwise valid exemption for low-income housing would frustrate the public purpose established by the Legislature. See *Clark County Sports Enterprises, Inc., v. City of Las Vegas*, 96 Nev. 167, 174 (1980) (citations omitted).
4. The party claiming an exemption must demonstrate the exemption applies. *Id.* (citations omitted).
5. In this case, the Taxpayer has clearly demonstrated that the low-income exemption under NRS 361.082 applies to the property, including during the 2021-2022 tax year since there was no change in use following the sale.
6. In some instances, a taxpayer may not be liable for circumstances which are beyond their control. See e.g., 361.4835, see also *Joseph A. Vricella v. Clark County Assessor*, Case No. 23-143 (Board of Equalization, 2023).
7. Washoe County and the Department do not oppose this appeal.
8. The Taxpayer was diligent in pursuing the exemption and the appeal once the Taxpayer became aware of facts.
9. The Board finds there is good cause to reinstate the Taxpayer's low-income exemption under NRS 361.082 for the 2021-2022 tax year and that not doing so would result in a manifest injustice to the Taxpayer.
10. Any conclusion of law above construed to constitute a finding of fact is adopted as such to the same extent as if originally so designated.

DECISION

The State Board finds that it has the authority and jurisdiction to resolve this matter, and as such, hereby reinstates the low-income exemption for the Taxpayer's property for the 2021-2022 tax year and hereby directs the Washoe County Treasurer and Assessor to remove any tax lien and fees or penalties associated with this matter.

BY THE STATE BOARD OF EQUALIZATION THIS 1st DAY OF May, 2024.


Shellie Hughes, Secretary