

March 10, 2026

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

Subject: : Additional Public Comments

Hello Commissioners,

I would like to provide the following additional comments:

1. There is a recently prompted audit supervisor who as stated the following: A walkthrough the business is required. This is not a true. We can use a little common sense as required by the Nevada Taxpayers' Bill of Rights to realize that is not a true statement. I hope we agree that small business should be treated the same as a large business that has business locations citywide or statewide. Does that audit supervisor expect an auditor to be sent to every Starbucks business location in Nevada when the audit section audits Starbucks? I don't think so! That can be said for any large business that has business locations citywide or statewide. Does that audit supervisor expect an auditor to be sent to a Gentlemen's Club or night club to review night operations? They don't do it because it is after Departmental business hours! Does it make common to make a Taxpayer set up business operations for a small kiosk that provides photography services just for the convenience of the audit supervisor. No, if a through pre-audit interview is completed by the auditor. One last example, if the audit supervisor was going an audit of one of the major casinos, does she do a walkthrough of every restaurant in the casino? The answer is no. She is picking on a small business which is a violation of the Nevada Taxpayers' Bill of Rights.
2. I recently attended CES (Consumer Electronics Show). Governor Lombardo joined the Iced Coffee Hour hosted by Graham Stephen and Jack Selby for a conversation about innovation and economic opportunity. The Governor Lombardo mentioned the favorable tax environment in Nevada. He signed an Executive Order to get rid of any regulation (NAC=Nevada Administrative Code) that hurts small businesses. For example, NAC 372.320 (2) puts locally owned dispensing optician businesses at a great disadvantage to out-state online businesses. Why you may ask? First, the locally owned dispensing optician is being forced by the Department to collect sales tax on the retail sales price of the eyeglasses. If you happen to get lucky on getting out-state online business to registered collect sales tax continuously, it will be what is in essence the cost of the eyeglasses resulting in a lower total price. In most cases, you are dealing with online businesses that never register and are not collect sales tax or paying use tax. Also, there are folks in the Department that continue try to use NAC 372 (2) to say optometrists are dispensing opticians although that directly conflicts with Nevada Revised Statute (NRS) 372.055(3). The Wayfair decision is great in theory but compliance enforcement on out of state online businesses is impossible. I wish Wayfair had been a small business then that way the effects on the small business community would have been considered by the United States Supreme Court. One last point, if the Governor can show up at CES, the Department make an appearance at the event too.

The Department likes to quote NAC 372.050 as evidence that requires Taxpayers to report taxable sales activity on the accrual accounting basis. Well, we need to take a closer look at their position. First, we can agree it is a NAC not a NRS so therefore it is not Nevada Tax Law (NRS). NAC 372.050.2 states "the total amount of tax on the entire sales price in credit transactions is due on the due date of the return to be filed after the close of the reporting period in which the sale was made. This is also stated on page 3 of Nevada Tax Notes, Issue No. 174 date April 2011. Accrual Accounting follows the "revenue recognition principle". Under the "revenue recognition principle" revenue (sales) should be recorded when **earned**, reflecting the delivery of goods or services and the right to payment. This follows a 5-step model under Generally Accepted Accounting Principles (GAAP), identify the contract, performance obligations, transaction price, allocate price, and most importantly recognize revenue (sales) as obligations are met. So, if a sale is made this month does not mean it needs to automatically be reported in this month. The main issue required by Accrual Accounting is has the revenue (sale) been **earned**. It is interesting to see the Department has adopted Generally Accepted Accounting Principles (GAAP) when it decided to use the Cash Basis in how revenue is recognized for their own books. It appears that the Department is not taking the view that "What is good for the goose (them) is good for the gander (the public). I guess fairness is not being considered as required by the Nevada Taxpayers' Bill of Rights.

3. Commissioners, two days after the last NTC Meeting, I found myself at around 3:30am in the Harry Reid International Airport waiting for a flight to take me to Austin, Texas to attend my Aunt Patty's funeral. As I waited for the flight, I happen to look at a vending machine that sold bottled soda and package chips and I saw a sticker that stated that the retail sales price included sales tax. Since the Department's current position is that bottled soda and package chips sold at a vending machine is not subject to sales tax, the Department is receiving illegal sales tax. The Nevada Taxpayers' Bill of Rights states State Law provides actions designed to ensure that everyone pays his or her fair share of taxes. It does not say State Law is design for Taxpayers to overpay taxes. I am asking the Executive Director to issue a technical bulletin and/or Nevada Tax Note stating that bottled soda and packaged chips sold through a vending machine is that subject to sales tax ASAP. The Department is purposely receiving illegal tax. Again, I will refer to the recent Hohl Motorsports vs Nevada Department of Taxation case decision where the Justices stated "Justice and Fair Play" which to me shows support for the Nevada Taxpayers' Bil of Rights.
4. The current Department website states the following: The due date for sales and use tax return is changing from the las day of the month to the 20th of every month starting with your January 2026 return, which will be due on February 20th. This is in direct violation of NRS 372.360, Return: Filing requirements; combination with certain other returns; signatures which states the following: On or before the last day of the month following each reporting period, a return for the preceding period must be filed with the Department in such a form and manner as the Department may prescribe. Again, the Nevada Revised Statute (NRS) can only be changed by the people. Not by a Departmental official such as the Executive Director. If so, show me the Nevada Supreme Court decision that allows such an action.
5. Commissioners, I am asked quite often asked about my opinion about the Administrative Law Judge (ALJ) reporting to the Executive Director of the Nevada Department of Taxation. Is there a conflict of interest? My answer is yes. You have an Enron. The Enron scandal occurred in 2001, and my professional career happen to cross path with folks that worked at Enron and folks that worked at Arthur Andersen, so I know a lot about it. I am thinking Commissioner Sheets had experience with Enron because he worked with Southwest Gas and the Federal Energy Regulatory Commission. I am not sure about Commissioner Bellows (Nevada Energy) because he looks like a young man. I see the Administrative Law Judge (ALJ) in the same light as Arthur Andersen. I see the actions of the Nevada Attorney General Office, Taxation division, in the same light as Enron's in house legal counsel and Vinson & Elkins (outside legal counsel who paid a very large fine). In the accounting community and legal community there is a standard and it is called "ethics". I see Executive Director Hughes as Kenneth Lay and/or other Enron executives. For reference reading on conflict-of-interest decisions by the Courts, I will refer to the following: United States Supreme Court decision in Nevada Commission on Ethics v Carrigan, 564 U.S. 117 (2011); Nevada Supreme court decision in State v. Jihad Anthony Zogheib, Real Party in Interest (2014); and the Nevada Taxpayers' Bill of Rights. You need to look at the Appearance rule and Fairness rule when answering the question. Accounting experts and legal experts all agree that the major cause of the scandal was the very cozy relationship between the Enron employees and Arthur Andersen employees. Former Enron employees were hired by Arthur Andersen and work on the Enron account the next day. The very important element of independence was lost in the decision-making process at Arthur Andersen. In fact, they say you could not tell the difference between an Enron employee and Arthur Andersen employee.

Thank You and Be Safe,
Ron Voigt
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