March 24, 2026

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Subject: Comments to Proposed regulation (LCB File No. R035-24)

Hello Kari,

I would like to provide the following comments:

1. Section 16. Nevada Administrative Code (NAC) 360.485 that deals with overpayment of tax. Page 14 &15

   Almost 99.9% of the time, the overpayment of tax is due to wrong guidance provided by the Department during an audit. I will give 1% fault to the taxpayer.

   With that said, who is going to decide what is accurate and complete books and records? There is no one in the Department that is qualified to do a financial audit. To do a financial audit, the accounting professional requires you to be a Certified Public Accountant (CPA) and be supervised by a CPA. Remember, the Department auditors are doing a compliance audit not a financial audit.

   As mentioned before, the majority of overpayment of tax is due to wrong guidance provided by the audit section of the Department.

   As the Department auditors are not CPAs, they also are not lawyers either, so they are not qualified to investigate the taxability of transactions during an audit. They are to follow Nevada Revised Statute 372 period or decisions made the Nevada District Court or Nevada Supreme Court.

   I do not agree with the Department's attempt to take away Expert Witness testimony and that is what they are trying to do by deleting 2. (g) on page 15. There are two professions where education, certifications, and professional experience make a very big difference and that is Law and Accounting & Auditing. The Department audit section lacks properly qualified and properly trained audit managers and auditors. There are no Certified Public Accountants (CPAs) or Certified Fraud Examiner (CFE) in the Department's audit section. There is no one in the Department's audit section that can sit for the CPA exam. There is only one Lawyer (Executive Director Hughes) in the Department. Attempting to bring Department employees on the same level of professionals that have worked to obtain the education, certifications, and professional experience to gain the knowledge needed to be the best in their profession is total wrong and unfair. Expert Witness is an important tool used by the Taxpayers in fighting a poorly done audit by the Department auditor.

   For example, I would like to provide you with my professional experience:

   <u>DCAA (Defense Contract Audit Agency)</u>. I worked as a Contract Auditor at the Northrop Corporation Resident office who oversaw building the B2 Stealth Bomber and F-18 Super Hornet. This miliary bomber made the news a few months ago while both are now in the current news. I know how to do a compliance audit.

   <u>Unocal Corporation (now part of Chevron)</u>. I worked as an Internal Auditor. My work experience range from auditing a convenience store at truck stops (example the one located outside of Las Vegas), assisting the financial statements year end audit with the outside auditors (Cooper and Lybrand), audit drilling projects that provide natural gas to Thailand, and perform derivative trading in Singapore, or auditing royalties paid to the company by the Trans Alaska Pipeline. I know how to do compliance audits, financial audits, and operation audits.

Wackenhut Services (now part of G4S Secure Solutions USA). I worked as an Audit Manager. I assisted the Inspector General at the United States, Department of Energy in completing the Cooperative Audit Strategy. I completed the annual Allowable Cost audit. I know how to do compliance audits.

Cashman Equipment Company (now part of Empire Caterpillar). I worked as a Financial Accounting Supervisor. My accounting staff published monthly and year-end financial statements. Our work was reviewed by the out-side auditors (Arthur Andersen). Mrs. Mary Kaye Cashman is one of the nicest people you will ever meet.

The Coastal Corporation (now part of Kinder Morgan). I worked as an Internal Auditor. My work experience ranged from auditing convenience stores with gas pumps (example Rebel gas stations in Las Vegas), assisting the financial statements year end audit with the outside auditors (KPMG), auditing projects to build a power plant in India and Pakistan, and major repairs to a refinery in Aubra, and helping the Philippines government set up the free trade zone gas operations at the former United States Navy base at Subic Bay. I know how to do compliance audits, financial audits, and operation audits.

Nevada Department of Taxation. I worked as an Auditor II. I completed Nevada sales and use tax audits.

2. Section 22. NAC 360.706.2. Unless current procedures followed by the auditor after an audit has changed, if the Taxpayer does not response to a redetermination, the case is automatically forward to the Administrative Law Judge (ALJ). This section appears differ from current procedures. Page 18

3. Section 22. NAC 360.706.4. I think this deletion of (b) for a Taxpayer's request for an extension could work if the Executive Director considers fairness, common sense, and justice as required by the Nevada Taxpayers' Bill of Rights or a recent Nevada Supreme Court decision. Page 19

4. Section 22. NAC 360.706.9. I this these deletions could work if again fairness, common sense, and justice as required by the Nevada Taxpayers' Bill of Rights or a recent Nevada Supreme Court decision. Page 20 and 21

Thank You and Be Safe,
Ron Voigt
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