

NEVADA TAX COMMISSION MEETING
MINUTES

August 19, 2026
9:00 a.m.

Members Present:

George Kelesis, Chairman
Thom Sheets, Commissioner
Terry Care, Commissioner
Yolanda King-Branch, Commissioner
John Marvel, Commissioner
Ryan Bellows, Commissioner
Caryn Adelhoch, Commissioner
Craig Witt, Commissioner

- I. Chairman Kelesis called the meeting to order at 9:00 a.m. and a quorum was established.
- II. Public Comment.

Becky Dutro, with the Nevada Taxpayers Association (NTA) - I wanted to take a moment to bring a meeting accessibility issue to the Commission's attention and commend Executive Director Hughes and the staff of the Department on the expeditious handling of this issue. We had several members raise questions to us about how to view or join meetings with the Department and Commission virtually. I, myself, experienced some issues earlier this year as there were some inconsistencies with the instructions and links within different agendas. I raised the issue to Executive Director Hughes and her staff, and they quickly implemented guidelines to ensure that consistent instructions and hyperlinks are included on all agendas going forward. We want to recognize and thank the Department for the quick response and this important step to ensure transparency and ease of accessibility to the taxpayers and the public. On another note, although not part of the initial request, we do hope the Department will look at making replays of the meetings available to the public in the future as other state agencies and local governments do.

Shellie Hughes, Executive Director for the Nevada Department of Taxation, administered an oath to those testifying at today's meeting.

III. CONSENT CALENDAR:

- A. Consideration for Approval of the June 25, 2026, Nevada Tax Commission Meeting Minutes.
- B. Consideration for Approval of the Department's Recommendation to the Commission Concerning a Request for Waiver of Penalty and/or Interest that exceeds \$25,000, pursuant to NRS 360.419:
 - 1) Triple J Tours Inc.
 - 2) Lululemon USA, Inc.
 - 3) Centric Software Inc.
 - 4) Maingate Inc.
 - 5) Fuji Electric Corp. of America

- C. Consideration for Approval of the Department's Recommendation to the Commission for Approval of a Payment Plan Request:
 - 1) DIV Holdings LLC

The Chairman removed DIV Holdings LLC from the agenda and no action was taken.

- D. Department's Recommendation to the Commission for Approval of an Offer-In-Compromise pursuant to NRS 360.263:
 - 1) Keith Fields for the debts of Just 4 You Auto Sales
 - 2) Ronald Rollins for the debts of Vegas Hot LLC
- E. Consideration for the Adoption of the Administrative Law Judge's Proposed Decision concerning an Appeal of the Department's Denial of a Sales/Use Tax Refund Claim, pursuant to NRS 372.258:
 - 1) MI Autopartners
- F. 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 Blackhorse Association
- G. Consideration for the Adoption of the Administrative Law Judge's Proposed Decision regarding an Appeal of Department's Denial of Nevada National Guard Exemption Refund Claim, pursuant to NRS 372.7281:
 - 1) Tyler Kendrick

Commissioner Adelhoch pulled items III. B. 3) Centeric Software Inc., III. B. 4) Maingate Inc. and III. D. 2) Ronald Rollins for the debts of Vegas Hot LLC, for further discussion.

Item III. C. 1) DIV Holdings LLC – This matter was removed from the agenda and no action was taken.

Commissioner Sheets made a motion to approve the Consent Calendar, minus items III. B. 3), III. B. 4), and III. D. 2).

Item III. B. 3) Centeric Software, Inc. – Commissioner Adelhoch asked for clarification on the Department's position on approving the waiver of the penalty and interest. Katy Sentigar, Tax Program Supervisor II, was present on behalf of the Department. Ms. Sentigar stated the payroll representative could not gain access to the Department's new system and this caused the filing to be late. Commissioner Adelhoch made a motion to approve. The motion was seconded. All in favor. Motion carried.

Item III. B. 4) Maingate Inc. – Commissioner Adelhoch shared concern because this matter was recommended for approval due to employee turnover. Commissioner Adelhoch mentioned previous matters being denied for this reason. Katy Sentigar, Tax Program Supervisor II, was present on behalf of the Department. This Taxpayer has a good filing history with the Department. This filing occurred during the conversion to the new system in 2024, and the company had staff turnover. Commissioner Adelhoch made a motion to approve. The motion was seconded. All in favor. Motion carried.

Item III. D. 2) Ronald Rollins for the debts of Vegas Hot LLC – Commissioner Adelhoch shared concern that this matter seems to support a larger offer-in-compromise. Martin Paine, Tax Program Supervisor II, was present on behalf of the Department. Mr. Paine stated the debt was old, the Taxpayer is 66 years old and has medical issues. The Taxpayer is offering the tax amount. Commissioner Adelhoch made a motion to approve. Commissioner Sheets seconded the motion. All in favor. Motion carried.

IV. COMPLIANCE DIVISION:

A. Consideration of the Administrative Law Judge's Proposed Decision regarding the Department's Recommendation of Denial of Waiver of Penalty and/or Interest pursuant to NRS 360.419:

1) Exhale Brands Nevada LLC

Brian Hardy, Esq., with Marquis Aurbach, and Pete Findlay were present on behalf of Exhale Brands Nevada LLC. Jung Yeo, Deputy Attorney General, and Martin Paine, Tax Program Supervisor II, were present on behalf of the Department.

Commissioner Sheets made a motion to waive the interest in the amount of \$93,423 and to impose the penalty in the amount of \$126,341. Commissioner Witt seconded the motion. Roll Call: Commissioner Adelhoch – Aye; Commissioner Sheets – Aye; Commissioner King-Branch – Aye; Commissioner Bellows – Aye; Commissioner Care – Aye; Commissioner Marvel – Nay; Chair Kelesis – Nay; Commissioner Witt – Aye. Motion carried.

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

1) Comedy on Deck Tours, Inc.

Derek Hatch, Esq. and Burke Williamson, Esq., with Jeffrey Burr Ltd., were present on behalf of Comedy on Deck Tours, Inc. Marcianelle Villanueva-Escolin, Senior Deputy Attorney General, and Mary Huck, Senior Deputy Attorney General, were present on behalf of the Department.

Commissioner King-Branch recused herself from the matter of Comedy on Deck Tours, Inc. Commissioner King-Branch disclosed Comedy on Deck is a top tour operator of the Grand Canyon Corporation for which Commissioner King-Branch is a board member.

Commissioner Care made a motion to deny the Taxpayer's appeal. Commissioner Sheets seconded the motion. Commissioner King-Branch recused. Roll Call: Commissioner Adelhoch – Aye; Commissioner Sheets – Aye; Commissioner Bellows – Aye; Commissioner Care – Aye; Commissioner Marvel – Aye; Chair Kelesis – Aye. Commissioner Witt – Not included in vote. Motion carried.

C. Consideration and approval of Motion to Associate Counsel submitted by Appellant pursuant to NAC 360.085 and Nevada Supreme Court Rule 42:

1) ASD Specialty Healthcare, Inc., ASD Specialty Healthcare, LLC, and AmerisourceBergen Drug Corporation

Kenneth Levine, Esq., and Matthew Harris, Esq., with Reed Smith, were present on behalf of the Taxpayer. Hans Baldau, Esq., with Ken. R. Ashworth & Associates, was present as local counsel for the Taxpayer. Marcianelle Villanueva-Escolin, Senior Deputy Attorney General, and Mary Huck, Senior Deputy Attorney General, were present on behalf of the Department.

Commissioner Care recused himself from the matters of ASD Specialty Healthcare, Inc., ASD Specialty Healthcare, LLC and AmerisourceBergen Drug Corporation. Commissioner Care disclosed his law firm has represented the Taxpayer.

Commissioner Sheets made a motion to approve the Motion to Associate Counsel submitted by Appellant, pursuant to NAC 360.085 and Nevada Supreme Court Rule 42. Commissioner Bellows seconded the motion. Commissioner Care recused. Motion carried.

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

- 1) ASD Specialty Healthcare, Inc., ASD Specialty Healthcare, LLC, and AmerisourceBergen Drug Corporation

Kenneth Levine, Esq., and Matthew Harris, Esq., with Reed Smith, were present on behalf of the Taxpayer. Hans Baldau, Esq., with Ken. R. Ashworth & Associates, was present as local counsel for the Taxpayer. Marcianelle Villanueva-Escolin, Senior Deputy Attorney General and Mary Huck, Senior Deputy Attorney General, were present on behalf of the Department.

Commissioner Care recused himself from the matters of ASD Specialty Healthcare, Inc., ASD Specialty Healthcare, LLC and AmerisourceBergen Drug Corporation. Commissioner Care disclosed his law firm has represented the Taxpayer.

Commissioner Sheets made a motion to deny the Taxpayer's appeal of the Administrative Law Judge's Decision. Commissioner Marvel seconded the motion. Commissioner Care recused. Roll Call: Commissioner Adelhoch – Aye; Commissioner Sheets – Aye; Commissioner King-Branch – Aye; Commissioner Bellows – Aye; Commissioner Marvel – Aye; Commissioner Witt – Aye; Chair Kelesis - Aye. Motion carried.

E. Consideration of Taxpayer's Petition for Reconsideration and Motion to Correct Order:

- 1) Univercell Wireless, Inc.

Kimberly Maxson-Rushton, Esq., with Cooper Levenson, appeared virtually on behalf of the Taxpayer. Lorin Taylor, Senior Attorney General, was present on behalf of the Department. Ms. Taylor stated we have no objection to the motion or to the proposed order.

Commissioner Sheets made a motion to approve the Taxpayer's Petition for Reconsideration and Motion to Correct Order, as described. Commissioner Bellows seconded the motion. All in favor. Motion carried.

V. REGULATIONS:

- A. Consideration for Adoption of Permanent Regulation LCB File No. R005-26; a Regulation relating to alcoholic beverages; imposing a surcharge on certain sales of alcoholic beverages by a covered food establishment for consumption off the premises of the establishment; providing for the administration, collection and remittance of the surcharge to the Department of Taxation; establishing provisions governing the delivery of alcoholic beverages in containers sealed by a covered food establishment to consumers in connection with a retail sale; providing civil penalties, and providing other matters properly relating thereto.

Adriane Roberts-Larson, Chief Deputy Executive Director, was present on behalf of the Department and presented LCB File No. R005-26 to the Commission.

Public Comment: There was no public comment.

Commissioner Witt mentioned refunds. Adriane Roberts-Larson stated she will get clarification regarding refunds and will report back to the Commission.

Commissioner Sheets made a motion to approve LCB File No. R005-26. Commissioner King-Branch seconded the motion. All in favor. Motion carried.

- B. Consideration for Adoption of Permanent Regulation LCB File No. R081-26; a Regulation relating to taxation; revising procedures governing proceedings before the Nevada Tax Commission; requiring the electronic filing of certain returns or other documents unless otherwise waived; revising provisions governing communications with the Executive Director of the Department of Taxation; expanding the methods by which certain payments are required to be made to the Department; revising provisions governing the issuance of subpoenas by a hearing officer; revising requirements for the issuance and delivery of an advisory opinion by the Executive Director; revising provisions governing the issuance of permits to collect sales and use taxes; imposing certain duties on persons who are required to file certain returns, statements, reports or other documents for certain taxes, fees, assessments, contributions or premiums; revising standards to determine whether the Department is required to pay interest to a taxpayer who overpays certain taxes; revising the procedures by which a taxpayer may dispute a determination, decision or action of the Department and petition the Department for a redetermination; revising, updating and eliminating various obsolete provisions; repealing various provisions which are obsolete or redundant or relate to tax abatements which are no longer available; and providing other matters properly relating thereto.

Adriane Roberts-Larson, Chief Deputy Executive Director, was present on behalf of the Department and presented LCB File No. R081-26 to the Commission.

Public Comment:

Becky Dutro, with the Nevada Taxpayers Association (NTA)- First, I would like to recognize and thank Executive Director Hughes and the staff of the Department for their continued collaborative efforts on this very large and complex regulation. NTA submitted numerous questions, concerns, and suggested language edits to this regulation, and the Department either adopted the suggested language or clarified the information regarding our concerns or questions. Although NTA can support much of this regulation as presented today, we do still have a few questions and concerns, which are detailed in our written comments submitted and included in the agenda materials. Without going into the specific details that were submitted in our written comments, we are seeking clarification on Section 11 and the use of court reporters at Commission hearings and proceedings, Section 30, clarification relating to when a taxpayer has no choice but to pay the tax, it should be considered both non-intentional, non-careless, and Section 45, which we feel is written in a way that will make it almost impossible for a taxpayer to fulfill all six requirements. In regards to the second revised proposed regulation language, as this was just distributed last week, we have not had time to fully review and analyze it entirely. Our initial review finds many of the changes to be formatting and wording changes that do not substantially change the intent of the language or that we feel better this regulation. We do have concern with Section 4, Subsection 2 on page 6, which has added new criteria to qualify to submit for a waiver. We feel that this complicates the process and treats taxpayers differently. We suggest removing the new language of "Not later than 20 days before," as sometimes issues arise closer to the due dates, and "In the aggregated amount of \$10,000 or more." Additionally, we do reserve our right, if this regulation is passed today, to provide additional comments to the

interim legislative committee should we find any changes that adversely affect taxpayers upon our more in-depth review. Again, we want to thank the Department for the constructive, interactive process and the committee for review of our concerns when adopting these regulations.

Chair Kelesis thanked Ms. Dutro and asked the Department if there is a time constraint to pass this regulation.

Director Hughes - There is not a time constraint. This is a regulation that stemmed from the original Governor's Executive Order in 2023. It has taken some time to get here just based on the size of the regulation. If we put this off for another meeting, that wouldn't be an issue other than the legislative session is coming up in February, which means many of the drafters over at the Legislative Counsel Bureau will be working on legislation and likely will not get to this regulation until after the legislative session, which ends in June of 2027. Many of the issues that were in the regulation are procedures that the Department already has in place and are just putting in regulation because these regulations haven't been updated for quite some time, which was the basis for the Executive Order in 2023. We remain committed to work with taxpayers and the Nevada Taxpayers Association. So if there are any concerns that they may have after reviewing the regulation in full detail, we would be happy to revisit those issues.

The Chairman asked Ms. Dutro if this is satisfactory and she confirmed it is.

Commissioner Care disclosed the Chairman of the NTA is a partner of his law firm. His law firm has never represented the NTA.

Commissioner Sheets made a motion to approve LCB File No. R081-26. Commissioner Care seconded the motion. All in favor. Motion carried.

- C. Consideration for Adoption of Permanent Regulation LCB File No. R098-26; a Regulation relating to real property; revising provisions governing the manner in which owners of real property claim certain partial abatements of property tax; revising the information that may be included in the declaration of value form required to accompany a deed evidencing a transfer of title of real property or land sale installment contract that is presented for recordation to a county recorder; providing for electronic signature of the declaration of value form; and providing other matters properly relating thereto.

Adriane Roberts-Larson, Chief Deputy Executive Director, was present on behalf of the Department and presented LCB File No. R098-26 to the Commission.

Public Comment:

Shawnyne Garren with the Douglas County Recorder's Office and on behalf of the Recorder's Association of Nevada – Ms. Garren thanked everyone for their efforts and shared support of LCB File No. R005-26.

Becky Dutro with the Nevada Taxpayer's Association (NTA) – NTA is in support of LCB File No. R005-26. NTA supported AB377 during the 2025 legislative session and the addition of the property tax eligibility information on the Declaration of Value. This streamlined process will save counties and taxpayers time and money. I won't go into the details as that was in our written submission. Again, we thank the Department and the Commission for allowing interactive process and hope the commission will adopt this regulation.

Commissioner Bellows made a motion to approve LCB File No. R098-26. Commissioner Witt seconded the motion. All in favor. Motion carried.

VI. 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. Bonds Administratively Waived (dates as indicated) (Sales/Use Tax)
- C. Approval and Denial Status Report Log for Organizations Created for Religious, Charitable or Educational Purposes (dates as indicated) (Sales/Use Tax Exemption).
- D. Waiver of Penalty and Interest Pursuant to a Request on a Voluntary Disclosure.

VII. BRIEFING:

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

Shellie Hughes, Executive Director - I wanted to update the Commission on a recent action taken by Governor Lombardo that was previously referred to by Commissioner Care. The Governor has issued Executive Order 2026-003 directing all executive branch departments, agencies, boards, and commissions with rulemaking authority to conduct a comprehensive review of the regulations under their purview. The purpose of this review is to identify opportunities to streamline, clarify, amend, repeal, or otherwise improve Nevada's regulatory environment. The Executive Order also requires each executive branch entity to hold at least one publicly noticed stakeholder meeting to solicit feedback from regulated industries, businesses, licensees, and other interested parties. These stakeholder meetings must be held no later than October 29, 2026. It is important to note that this stakeholder meeting is not part of the formal rulemaking process under Chapter 233B of the Nevada Revised Statutes. The intent of these meetings is solely to gather input and perspectives, not to propose, adopt, amend, or repeal regulations. At this stage, no formal rulemaking is required. Instead, agencies are expected to conduct stakeholder outreach, review the regulations they enforce, evaluate the feedback received, identify opportunities to streamline, clarify, amend, repeal, or otherwise improve these regulations, and to submit a completed report to the governor's office by December 31, 2026. After all the reports are submitted, the Governor's office will review the recommendations and work collaboratively with agencies, boards, and commissions to determine the appropriate next steps. Any future regulatory changes will be handled through Nevada's standard rulemaking process. I also wanted to provide an update on Mynt. We are now in the testing phase for phase three. Testers have completed their training and began testing phase three functionality on July 20th. Our vendors' development deadline is August 21st, by which all defined processes must be fully developed and operational. After August 21st, the developer's primary focus will shift to refining and improving these processes based on feedback from product owners and testers. Development is scheduled to be fully completed by September 11th. Following that, additional testing will occur to ensure rollout readiness along with training designed to build foundational skills, reinforce key concepts, and cover functionality specifics to particular roles in business areas. This work will continue leading up to the December 7th go-live date.

VIII. Next Meeting Date: October 5, 2026

IX. Public Comment.

There was no public comment.

X. Items for Future Agendas. (for discussion only)

No items for future agendas were discussed.

XI. Meeting adjourned at 11:43 a.m.