

NEVADA TAX COMMISSION MEETING
MINUTES

May 2, 2022
9:00 a.m.

Nevada Department of Taxation
1550 E. College Parkway
Carson City, Nevada 89706

Nevada Department of Taxation
700 E. Warm Springs Rd., Ste. 200
Las Vegas, Nevada 89119

Chair Bersi called the meeting to order.

Members Present:

Ann Bersi, Chair, Pro Tem
Francine Lipman, Commissioner
Jeff Rodefer, Commissioner
Randy Brown, Commissioner
H. Stan Johnson, Commissioner
Tony Wren, Commissioner
Sharon Byram, Commissioner
Craig Witt, Commissioner

Chair Bersi introduced and welcomed Commissioner Rodefer to the Commission. Commissioner Rodefer has been a lawyer in Nevada for over 30 years. He was formerly with the Nevada Attorney General's Office. He was legal counsel to the Departments of Transportation and Taxation. He represented the Tax Commission, the State Board of Equalization, the Gaming Commission, and the Gaming Control Board. He has been practicing currently in gaming regulatory matters. He is active with the State Bar Association and is a graduate of UNR, where he is currently Chair of the UNR Foundation Board of Trustees. He is involved in the Boyd School of Law and gaming law in an advisory capacity.

I. Public Comment

There was no public comment.

Chief Deputy Director Melissa Flatley administered an oath to all parties testifying.

II. Meeting Minutes:

A. Consideration for Approval of the February 18, 2022, Nevada Tax Commission Meeting Minutes.

Commissioner Brown made a motion to approve the minutes of the Nevada Tax Commission's February 18, 2022, meeting. Commissioner Witt seconded the motion. Chair Bersi and Commissioner Rodefer abstained. Motion carried.

B. Consideration for Approval of the March 7, 2022, Nevada Tax Commission Meeting Minutes.

Commissioner Witt made a motion to approve the minutes of the Nevada Tax Commission's March 7, 2022, meeting. Commissioner Wren seconded the motion. Commissioner Rodefer abstained. Motion carried.

III. CONSENT CALENDAR:

A. Matters of General Concern:

- 1) Bonds Administratively Waived (dates as indicated) (Sales/Use Tax):
 - a) A&V Korrcra LLC
 - b) Amir Inc.
 - c) Basils Delights Inc.
 - d) Café Capello Inc.
 - e) Desert Auto Dealer Inc.
 - f) Desert Inka Inc.
 - g) Donut Bistro Pho Noodle LLC
 - h) FMI Hudspeth Inc.
 - i) Gina Y LLC
 - j) Granite Planet LLC
 - k) HLFS Inc.
 - l) Kintop & Company LLC
 - m) Lunar Two LLC
 - n) Sassafras LLC
 - o) Sequential Art Inc.
 - p) Shaan Corp
 - q) Town Square 8 LLC
 - r) Universal E-Business Solutions LLC
 - s) Yusays Mimosa Café LLC

B. Waiver of Penalty and Interest Pursuant to a Request on a Voluntary Disclosure:

- 1) ALO LLC
- 2) Avasure LLC
- 3) Comark, LLC
- 4) Creative Office Pavilion LLC
- 5) DPA Microphones Inc.
- 6) Eden Brothers
- 7) Girl Scouts of the United States of America
- 8) Heavy Metal Equipment & Rentals
- 9) Intervision Systems LLC
- 10) Kala Brand Music Company
- 11) Midnight Oil Agency LLC
- 12) Missguided Limited
- 13) Monaco Enterprise Inc.
- 14) Ohio Medical LLC
- 15) Puff Corp
- 16) Rebdolls Inc.
- 17) Revention
- 18) Rockauto, LLC
- 19) Speed Engineering & Performance Corporation
- 20) Starkist Co.
- 21) The Lace Cactus LLC
- 22) Thinkmate, Silicon Mechanics, Aberdeen
- 23) Vestcom New Century LLC
- 24) Vestcom Retail Solutions Inc.
- 25) Zibuyu International Limited

- C. Waiver of Penalty and/or Interest Pursuant to NRS 360.419 that exceeds \$10,000:
 - 1) Cerca Trova Southwest Restaurant Group LLC
 - 2) Cashman Equipment Co.
 - 3) Extreme Networks, Inc.
 - 4) Las Vegas Color Graphics, Inc.
 - 5) Zero One Odysseys, LLC
 - 6) McManus Auctions

- D. Consideration for Approval of the Recommended Settlement Agreements and Stipulations
 - 1) Harris Rebar Las Vegas Inc.
 - 2) LWHSQ LLC aka Liquor World – Paradise

- E. Department’s Recommendation to the Commission for Approval of an Offer-In-Compromise pursuant to NRS 360.263:
 - 1) Andrey F. Ariza
 - 2) Ivan W. Harris
 - 3) Huy Nguyen

Commissioner Brown pulled Item III. B. 7) Girl Scouts of the United States of America for further discussion.

Commissioner Byram pulled Item III. E. 1) Andrey F. Ariza for further discussion.

Commissioner Lipman pulled Item III. E. 3) Huy Nguyen for further discussion.

Commissioner Wren made a motion to approve the Consent Calendar, minus items III. B. 7), III. E. 1) and III. E. 3). Commissioner Rodefer seconded the motion. All in favor. Motion carries.

Item III. B. 7) Girl Scouts of the United States of America – Commissioner Brown asked if the Girl Scouts of the United States of America is a tax exempt organization. Karyn Ebright, Revenue Officer II, was present on behalf of the Department. Ms. Ebright stated that once the voluntary disclosure is finished, we are going to recommend doing a tax exemption. Commissioner Brown asked if this is a parent corporation. Ms. Ebright confirmed. Commissioner Brown made a motion to approve this matter. Commissioner Witt seconded the motion. All in favor. Motion carries.

Item III. E. 1) Andrey F. Ariza – Commissioner Byram mentioned the age of the taxpayer (36) and stated, it seems that he is at his prime earning potential. Lizette Arceo was present on behalf of the Department. Ms. Arceo stated the taxpayer lives out of State, so the Department’s collection actions become more difficult. Additionally, approximately \$24,000 is uncollectible, as the Department did not find him personally liable. Commissioner Byram made a motion to approve this matter. Commissioner Brown seconded the motion. All in favor. Motion carries.

Item III. E. 3) Huy Nguyen – Jason Aquino was present in Las Vegas on behalf of Huy Nguyen. Commissioner Lipman asked if this was part of an escrow to sell the company. Mr. Aquino answered yes. Mr. Aquino stated it fell out of escrow because there was no more money to be paid by the new owner, and the old owner cannot shoulder the old liability. Commissioner Lipman asked if there was compensation; and if it didn’t go through escrow to avoid liability. Mr. Aquino stated he didn’t have the particulars, but stated the old owner, Mr. Nguyen, doesn’t want to get involved with this business anymore. He sold it to the new owner for what they could afford, and part of that deal is for Mr. Nguyen to settle any liability he has with the Department. Lizette Arceo, Tax Manager, was present on behalf of the Department. Ms. Arceo stated there were multiple factors that were taken into consideration. The Department did issue a Certificate of Amount Due for this Taxpayer. The

Department reached out to the escrow company and was told the sale had fallen through. The Department continued to pursue the successor and/or responsible person. Unfortunately, due to Covid, it was lost out on statute. The other factor is that Mr. Nguyen is not listed on the account for taxation. He is listed with the Nevada Secretary of State, but not with the Department. Commissioner Lipman moved to approve this matter. Commissioner Byram seconded the motion. Commissioner Witt opposed. Motion carried.

IV. DIVISION LOCAL GOVERNMENT SERVICES:

A. Consideration for Approval and Adoption of the 2022 - 2023 Ratio Study, pursuant to NRS 361.333.

Shannon Silva, Locally Assessed Supervisor, was present on behalf of the Department - The Nevada Tax Commission is obligated by statute to equalize property under its jurisdiction. There are two types of information the Commission considers to determine whether property has been assessed equitably. The first comes from the Ratio Study and the second comes from a review to determine whether each county has adequate procedures in place to ensure that all property subject to taxation is being assessed in a correct and timely manner. If the ratio of assessed value to taxable falls between 32 and 36 percent, it is in compliance with statute. Ms. Silva presented the results of the 2022 – 2023 Ratio Study to the Commission. Jeffrey Mitchell, Deputy Executive Director – Local Government Services, was also present on behalf of the Department. Commissioner Wren stated he believes that the State needs oversight of all 17 counties because when you are looking at large land sales within the State of Nevada, sometimes you have to look at the entire State not just within the county.

Commissioner Witt made a motion for the approval and adoption of the 2022-2023 Ratio Study. Commissioner Wren seconded the motion. All in favor. Motion carries.

B. Discussion and Consideration for Approval of the 2023-2024 Improvement Factor Study, pursuant to NRS 361.261(2).

Cheryl Erskine, Coordinator of Assessment Standards for Local Government Services Division, stated that this year the statewide improvement factor is 1.10, as indicated on page one of the Improvement Factor Report included in the packet. The purpose of the improvement factor is to keep properties that are not reappraised annually at a similar level of assessment with properties that are re-appraised each year. Ms. Erskine presented the 2023-2024 Improvement Factor Study to the Commission. Commissioner Wren commended Ms. Erskine on a job well done and stated he is in agreement with the study. He asked how we can get all 17 counties on an annual reassessment. Cheryl Erskine stated she has been in contact with the counties that are still using the improvement factor. It is partially due to their transition to the new CAMA systems. Ms. Erskine believes that within the next one to two years, they will all be using the re-costing method of all improvements every year.

Commissioner Wren made a motion to approve the 2023-2024 Improvement Factor Study. Commissioner Witt seconded the motion. All in favor. Motion carries.

C. Discussion and Consideration for Approval for the 2023-2024 Personal Property Manual as authorized under NRS 361.227 and NAC 361.1365.

Jeffrey Mitchell, Deputy Executive Director – Local Government Services, was present on behalf of the Nevada Department of Taxation. NRS 361.227 assigns the Nevada Tax Commission the responsibility of establishing standards for determining the replacement cost of various kinds of personal property. Those standards and methods and valuations are found within the Personal Property Manual. The manual provides ten different percent good tables including tables for a 3, 5, 7, 10, 15, 20, 30 year expected life, as well as tables for mobile homes and billboards. For consideration on Roman numeral VI, it was asked that we update the example that is given that starts for the 2015-

16 fiscal year, for example, an asset acquired in 2005 has an age of seven years. The math was wrong in that example as well as the fiscal years should be updated. Mr. Mitchell reviewed portions of the manual for the Commission.

Jim Sousa was present on behalf of industry. He stated they are looking at the rooms and the furniture fixtures and equipment and asking the Department to consider a shorter life for that, a carve out from the one size fits all 15-year life for all hotels in Nevada. At the workshop, Mr. Mitchell raised the issue of maybe we can't just do the rooms, but we might be able to do a luxury hotel in general. And that was the idea of doing the study. Mr. Sousa suggested two options: The first option is to stay the course that began this process, with a 15 year-life. The second choice is to ask the Commission to consider a 10 year life. The class life for hotel furnishings in Marshall & Swift is between 8 and 12 years with an average of 10. By going to 15, it's a full 50 percent higher than what the 10 year life is that Marshall & Swift recommends. We could be consistently wrong, but let's be consistent.

Mary Ann Weidner, Clark County Assessor's Office, was present. Ms. Weidner reinforced the Clark County Assessors' concern about equity with regard to the decision of going from a 15 year life to a 10 year life on "Certain property types." Ms. Weidner mentioned Mr. Mitchell's proposal that we leave things as they are for this next fiscal year to give the Department an opportunity to do a full study. We are not opposed to that. We do look for direction from the Department of Taxation. This would possibly give the Department the time to do an appropriate study, to workshop it again after the study is complete, and to present the evidence.

Commissioner Wren stated he has had the opportunity to speak with Deputy Director Mitchell regarding this matter and he is in agreement with Mr. Sousa. Fifteen years is not reasonable. Ten years is reasonable. For real property, we use Marshall & Swift as our guideline. We don't use Marshall & Swift as the guideline for life expectancy which we should be doing. Commissioner Wren stated that he agrees with Mr. Mitchell and we need to take some time and actually do a thorough study of this.

Commissioner Wren moved to approve the 2023-2024 Personal Property Manual. Commissioner Byram asked to include and approve Mr. Mitchell's suggested edit so that Mr. Mitchell can update a sample and correct the table. Commissioner Wren – So included. All in favor. Motion carries. The Commission requested that the Department go forward with industry and any other interested party to study the issue of the life of hotel furniture.

D. Review and Consideration for Adoption of Bulletin 212, 2023-2024 Agricultural Land Values and Open Space Property Procedures as authorized under NRS 361A.140 and NRS 361.325(1)(b).

Cheryl Erskine, Coordinator - Assessment Standards, was present on behalf of the Department. Ms. Erskine reported that the survey was sent to 846 agricultural properties. Fifty-eight were returned with no information provided because they had been sold or for various other reasons had been removed from the database. One hundred and nine or thirteen percent were returned and provided information relating to the price per ton of alfalfa hay and estimated tonnage produced as well as information regarding wild or other hay watered pasture rental prices per AUM and grazing rental prices per AUM. Overall, in comparison to last year, intensive use increased 10.7 percent, cultivated land increased an average of 11.3 percent, native meadowland increased an average of 7 percent, pastureland increased an average of 19.5 percent, and grazing land increased an average of 8.9 percent. This year's median price plus previous four years median prices are used to calculate the current price. The calculations are on pages nine through 14 of the Ag Bulletin Number 212.

Commissioner Witt made a motion to approve the adoption of Bulletin 212, 2023-2024 Agricultural Land Values and Open Space Property Procedures. Commissioner Rodefer seconded the motion. All in favor. Motion carries.

E. Review and Consideration for Approval of the Renewal of the Residential Construction Tax:

1) Churchill County School District

Kelly Langley, Supervisor of Local Government Finance, was present on behalf of the Department. Churchill County has requested renewal of their residential construction tax. This is a tax that they have to request renewal for every four years. They are allowed to do so as long as their population does not exceed 55,000. In this case, Churchill County's population for 2021 is 26,200. Additionally, the tax cannot exceed \$1,600. They have stated that the funding from this tax goes into a capital projects fund for the Churchill County School District to help with aging schools. They hope to be able to do a lighting system for the high school, soccer field along with flooring, fencing, campus security, roofing, HVAC needs.

Christy Fielding was present on behalf of Churchill County School District. She stated looking at growth for the next fiscal year is a little uncertain. There are some projects in the works that are currently being looked at by the County, but they haven't been approved or disapproved, so there is the normal growth that is happening. There are housing developments being constructed as we speak, but there is the potential for an added larger project that is just in communications at this point, so I'm anticipating a mild increase as we have seen from year to year at this point, but not an excessive increase unless that larger project is approved.

Commissioner Brown moved to approve Churchill County School District's renewal of the residential construction tax. Commissioner Byram seconded the motion. All in favor. Motion carries.

V. COMPLIANCE DIVISION:

A. Department's Recommendation to the Commission for Denial of an Offer-In-Compromise pursuant to NRS 360.263:

1) Alban Dema

Alban Dema was not present. Lizette Arceo, Tax Manager, was present on behalf of the Department. Ms. Arceo stated upon review of the documents, the Department has determined Mr. Dema's offer does not meet the reason of doubt as to collectability. The business continues to operate, and the taxpayer can pay this debt through a reasonable payment plan. Additionally, Mr. Dema does own real property in Clark County.

Commissioner Lipman moved to approve the denial of the offer-in-compromise of Alban Dema. Commissioner Byram seconded the motion. All in favor. Motion carries.

B. Approval of Refund/Credit Request in Excess of \$250,000:

1) Bonotel LLC

No action was taken on the matter of Bonotel LLC.

2) Hermes of Paris LLC

Guy Childers, Audit Tax Manager, was present on behalf of the Department. Mr. Childers stated a full audit was completed by the Department that resulted in a modified business tax and sales tax underpayment and a use tax overpayment.

Commissioner Witt moved to approve the refund for Hermes of Paris LLC. Commissioner Byram seconded the motion. All in favor. Motion carries.

C. Petition for Reconsideration of Department's Denial of Exemption Status for Organization Created for Religious, Charitable or Educational Purposes pursuant to NRS 372.3261 (Sales/Use Tax):

1) National Afterschool Association

Beth Ellis was present on behalf of the National Afterschool Association. Ms. Ellis stated the National Afterschool Association would like to appeal the denial. A convention was held in March in Las Vegas. The Association been holding annual conventions in a different state every year, and is a federally-exempt organization. The Association is fully educational and supports after school programs. The Association supplies educators with resources to operate high quality programs. Every year for the last ten years, the Association has been granted tax-exempt status from each state that the Association has traveled to.

Rost Olsen, Deputy Attorney General, was present on behalf of the Department. Deputy Olsen stated that the Department is requesting that the Commission uphold the denial because the organization has not submitted anything that shows that it is providing charitable services either gratuitously or at a reduced rate in Nevada nor has it shown that it is operating within the State currently.

Commissioner Wren made a motion to uphold the denial of exemption status for the National Afterschool Association. Commissioner Byram seconded the motion. All in favor. Motion carries.

D. Taxpayer's Appeal of Advisory Opinion No. 22-001 dated January 26, 2022:

1) Neal Jones

Neal Jones was present. Mr. Jones asked that this comment be included in the minutes of this meeting. - This appeal of Advisory Opinion 22-001 is regarding the Department of Taxation and Attorney General's refusal to directly answer the questions of the taxpayer with respect to the applicability of the tax statutes. These questions were under the authority and jurisdiction of the Department of Taxation and the Tax Commission. The actions and issues in question were Nye County's use of the tax statutes to transfer treasurer trust properties to the ownership of the Town of Belmont, a non-existent entity, Nye County's use of undocumented taxpayer funds to pay for these properties and Belmont's status as a tax-exempt entity. Belmont acquired title to these properties that it owns with the full knowledge and backing of Nye County using a tax statute: NRS 361.603, and Nye County Resolution 2013-17. The deeds for the properties that Belmont currently owns have been provided as evidence to the Commission. These deeds are legal documents, and no court of competent jurisdiction has ruled them invalid or void in any manner. Evidence of Nye County's payment of these properties, correspondence, dollar amounts, project numbers, fund numbers used, has been presented to the Commission. Nye County paid for the properties. Nye County does not own the properties until such time as a court of competent jurisdiction rules as such. My burden of proof is to present substantial evidence such that a reasonable mind might accept as adequate to support a conclusion. The substantial evidence provided to and in the possession of the Members of the Commission should suffice. This is the truth. No evidence has been provided to the Commission to show otherwise. The Department of Taxation's brief states quote, "No acquisition occurred under the facts presented since a non-existent entity cannot acquire property," unquote. Deeds to the properties held by Belmont have been provided to the Commission. Belmont may not legally be able to hold title to the properties, but that does not mean that it does not hold title. The Department states that the evidence in the possession of the Commission is void. The executive branch of government cannot rule that these facts are void, invalid or do not exist. The brief states quote, "Nye County could not provide funds to a nonexistent entity," unquote. Evidence has been presented to the Commission showing Nye County's expenditure of taxpayer funds to purchase the property that Belmont holds title to. Because Nye County cannot legally provide funds to the benefit of a non-existent entity does not mean that the evidence showing that this has occurred is void, invalid, does not exist or did not occur. The brief states quote, "A non-existent entity has no liability for transfer or property taxes as it cannot own property," unquote. The deeds in the possession of the Commission show Belmont's ownership of the properties. Because Belmont cannot legally own the properties does not dismiss their responsibility to

pay the liability on the properties it currently owns. We have finally arrived at a point where it is clearly established that the non-existent entity of Belmont cannot legally own property even though the facts presented show that it does. The substantial evidence presented to the Commission of what has occurred, even though it may not legally occur, should allow a reasonable mind to accept the conclusion that what has occurred has not been in accordance with the laws of this State. That is exactly the answer to the questions posed in the petition for the Advisory Opinion, questions the Department and the Attorney General refuse to directly answer. I've only asked in the petition for an Advisory Opinion if these actions by Nye County and Belmont were in accordance with the tax statutes of this state, did they have the statutory authority to take the documented actions that they have. I have not asked for adjudication of the issues. Based upon the preponderance of the evidence that has been provided to the Members of the Commission, these facts should enable the Commission to determine that the existence of a contested fact is far more probable than the non-existence of the contested fact. Nye County and Belmont did not abide by or conform to the tax statutes of this state. To claim the evidence presented to the Commission is somehow void or invalid is in excess the statutory of the Department, Attorney General and executive branch of government. The facts may not be ignored or dismissed. No reason or fact has been presented to show the evidence presented to the Commission is anything other than the truth. The Department's decision is therefore arbitrary. No evidence is presented that is contrary to the evidence provided to the Commission. Therefore, the Department's decision is capricious. I ask the Commission to remand this case to the Department of Taxation, to properly and directly address the issues brought forth according to the evidence presented, addressing if Nye County and Belmont had the statutory authority to take the documented actions they have and if they have abided by the tax statutes of this state. Thank you.

Rost Olsen, Deputy Attorney General, was present on behalf of the Department. Deputy Olsen stated this appears to be an attempt to litigate through an advisory opinion process which is improper. An advisory opinion and what it constitutes, as is very well founded in our legal jurisprudence going back, it outdates even our Constitution. When seeking an advisory opinion, someone provides hypothetical facts, and basically presuming the truth of the facts presented, the governing body that issues the advisory opinion gives the opinion. Mr. Jones asked whether Belmont had the authority to receive property. If Belmont is a nonexistent entity as he represents, then it does not. Did Nye County have the authority to provide undocumented funds to Belmont for the acquisition of property? If Belmont is a nonexistent entity, then it cannot receive funds. Number three: Is Belmont exempt from paying transfer of property taxes. If it is nonexistent and it cannot own property, then there's no property or transfer taxes to pay because it can't own property. Mr. Jones asked whether the transactions were within the generally-accepted accounting principles of the United States. There is some statute language that says that, it's not really within the jurisdiction of the Commission to determine what those accounting principles are. And last: Whether the actions of Belmont and Nye County convey or show or evidence fraud and dishonesty. The advisory opinion directly addressed that and showed that there is not a lot here. It shows that there's just probably some mistakes made at the County Commission level showing that there probably was some misunderstanding as to whether Belmont could or could not hold title to property. Because we are talking about governmental entities that are tax exempt, it would probably be outside the jurisdiction of the Commission. The Department did its best to synthesize and produce the opinion that it did, and it's not arbitrary nor capricious.

Commissioner Brown made a motion to deny the appeal of Advisory Opinion 22-001. Commissioner Lipman seconded the motion. All in favor. Motion carries.

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

- 1) The Honest Company, Inc.

Blake Doerr, Esq. and Brendan Sheehey, General Counsel, were present on behalf of The Honest Company, Inc. Mr. Doerr explained that this comes down to the compliance of the taxpayer in this abatement. As Mr. Csoka said, NRS 360.750 does set forth three main provisions: Number of employees, the amount of pay, and the capital expenditure. There isn't a dispute about the capital expenditure or the rate of pay. The issue comes down to the number of employees. Mr. Doerr directed the Commission's attention to NRS 370.752 which talks about the applicant having to demonstrate that it would have 50 or more full-time employees on the payroll of the business. The Department and the taxpayer entered into an agreement, the Abatement Agreement. The Abatement Agreement says, when we're looking at the number of employees, it talks about those employees being in a defined term in the contract full-time employee. Full-time employee had a different meaning in the defined term. In fact, that definition is a person who is in a permanent position of employment at the project and works an average number of 30 hours per week.

Louis Csoka, Deputy Attorney General, was present on behalf of the Department. Deputy Csoka stated the taxpayer is asking us to ignore the specific mandate of NRS 360.750 which requires that the employees must be on the payroll of the business. First, the contract says that any ambiguity must be construed in favor of taxation and against the taxpayer. The second thing Deputy Csoka pointed out is when the courts have looked at the substantial compliance issue, just as the ALJ has looked at the substantial compliance issue, the courts have said this: Complete failure to meet a specific requirement of a statute will result in a lack of substantial compliance. This is from the Choy v Ameristar Casino's decision. It's a Nevada case and it is in the Department's briefing. Lastly, Deputy Csoka pointed out, here is after this GOED scheme in NRS 360.750 provisions was enacted along with some other similar provisions elsewhere, in 2015 in the 78th Legislature, the amended AB 3 denied. And in the amended NRS 616B.691, they said that the decline of an employee leasing company in that context relative to some compensation issues, even though they were leased employees, they were the employees of the company.

Commissioner Lipman made a motion to overturn the Administrative Law Judge's decision, and to rule in favor of The Honest Company. Commissioner Brown added that The Honest Companies are in absolute compliance with the GOED agreement and are in substantial compliance with the law. Commissioner Brown added there is a differentiation between the two, and this is an important notation. Commissioner Brown seconded the motion. Commissioner Lipman accepted Commissioner Brown's friendly amendment. Commissioner Witt was opposed. Motion carries.

2) Cirilo Vazquez-Carrera and Sebastiana Trujillo-Campos

Natasha Gebrael reviewed the issues of the case and stated the taxpayer argues that the Department double taxed or showed double tax on their audits, but the Department argues that that did not happen because the taxpayer underreported.

Cirilo Vazquez-Carrera was present. Mixaly Arambula interpreted for Mr. Vazquez-Carrera. What he's here today to state is that the person that is helping him through this process is holding his documents at bay. He's continuing to ask him for more money. He says he has paid him up to \$6,500 to help him with this process. Mr. Vazquez-Carrera is requesting more time to present this matter to the Commission. Can more time be granted?

Natasha Gebrael stated, while she always sympathizes with taxpayers and their representation and does want to give them an opportunity, she asked the Commission to note that this appeal is over a year old, and it was represented throughout the year that there was actually going to be a withdrawal of this appeal and a payment, and it is why we held off on noticing it to this Commission for this long. Deputy Attorney General Gebrael reviewed the case for the Commission.

Commissioner Byram made a motion to deny the appeal and rule in favor of the State. Commissioner Wren seconded the motion. All in favor. Motion carries.

VI. INFORMATIONAL ITEMS:

- A. Penalty and Interest Waivers granted by the Department for Sales/Use Tax, Modified Business Tax and Excise Tax (dates as indicated).
- B. Approval and Denial Status Report Log for Organizations Created for Religious, Charitable or Educational Purposes (dates as indicated) (Sales/Use Tax Exemption).

VII. BRIEFING:

A. Briefing to/from the Commission and the Executive Director.

Chief Deputy Flatley reported that today is the beginning of the Governor's Employee Appreciation Week. Mixaly Arambula's work today, as well Lizette Arceo, is a great example of how the Department employees step in to help taxpayers as issues come up during their day. So thank you to them, but we're also thanking all of our staff. We have some events planned during the week, and we made certificates that show appreciation to all of the staff. Chief Deputy Flatley thanked Tina Padovano, Executive Assistant, for her work. We ordered pens that say "State of Nevada Department of Taxation Employee Appreciation 2022" for all of the Department's staff.

On March 9th, 2022, the Department attended the Governor's Finance Office's budget kickoff meeting and we were given instructions on preparing the next biennium 2023-2025 agency request budgets. The Department's budget is required to be submitted by September 1. Non-budgetary bill draft requests which include housekeeping and substantive changes to existing statutes are due by May 20. The Department is beginning to prepare our proposed budget for the biennium, and the Executive Director will provide an overview at a future meeting of the budget proposal and the BDR's. The next session of the Legislature, the 82nd Session, begins February 6th, 2023, and ends June 6th, 2023. From the last legislative session, AB 443 created the Joint Interim Standing Committees that parallel the standing committees established by the Legislature during a regular biennial sessions. The Bill authorized these joint interim committees to review matters within the jurisdiction of their corresponding standing committees from the preceding regular session of the Legislature and to conduct studies directed by the Legislature and the Legislative Commission, and they required the committees to report to each regular session of the Legislature when it resumes. Joint Interim Committees receive reports and public comment, debate public policy issues and formulate recommendations for new legislation in the next legislative session. The Joint Interim Standing Committee on Revenue is made up of five members from the Assembly Revenue Committee and three members from the Senate Revenue and Economic Development Committee. They started meeting in January, and they have so far held four meetings which the Department has appeared at all four. We have presented at three of those meetings. The first meeting was on sales and use tax and liquor tax, and the Deputy Director over compliance as well as the Tax Manager over excise assisted in those presentations with Director Hughes and myself. The next meeting we presented on cannabis tax, and most recently, we presented on commerce tax. They'll meet several more times, and right now we don't have any invitations, but we are expected to be asked to come back and present on other tax types that they request.

VIII. Next Meeting Date: June 27, 2022

IX. Public Comment.

There was no public comment.

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

No items were discussed.

XI. Meeting adjourned at 1:29 p.m.