

NEVADA TAX COMMISSION MEETING
MINUTES

May 7, 2025
9:00 a.m.

Members Present:

George Kelesis, Chairman
Thom Sheets, Commissioner
Jeff Rodefer, Commissioner
H. Stan Johnson, Commissioner
Sharon Byram, Commissioner (Virtual)
Ryan Bellows, Commissioner
Caryn Adelhoch, Commissioner
Craig Witt, Commissioner

- I. Chairman Kelesis called the meeting to order and a quorum was established.

Meeting was called to order. A quorum was established.

II. Public Comment.

Ron Voigt – I would like to thank Executive Director Hughes. There's a big kudos to you. You did a letter to the Nevada Economic Forum, which I just received a copy last week and I will forward it to Tina so it can be in public record. What you did, which I really like, is that you stated that the Department is going to go from a partial accrual accounting to a cash accounting. And that's really a good move because, you know, the small businesses, that's how they operate. They use a cash basis. The second comment I would like to talk about and just something that just caught my eye is the qualifications of a commissioner. And I kind of looked at myself. Now I'm not fortunate enough to have the opportunity to be a commissioner, but I did kind of look at it to see could I qualify, and I think I can. I didn't serve with the FERC like Mr. Sheets did and that's really a great honor. But I did serve in the military, so I did serve for my President Reagan. I was born on January 20, 1961. John F. Kennedy was getting sworn in. That's another connection to a president. I was named after Ronald Reagan, another president, so I guess that's my connections to the presidents that I have. When I was at the Fifth Corps in the military, I reported to General Powell, a very well-known general. As far as professional experience, I don't want to take up too much time, but I did work for Chevron, formerly Unocal, which they supply 90 percent of the gas that comes into Las Vegas from California; the Cal-Nevada Pipeline. On the natural gas side, I worked for El Paso Natural Gas, formerly the Coastal Corporation. They supplied the gas to Southwest Gas. So I know a lot about the pipelines. I know a lot about the energy. Utilities, I see, is one of the areas to qualify as a commissioner. I do have that experience. Also, on the finance side, I did set up internal audit function for Fortune 500 company Wackenhut Services for the Nevada Test Site where I had interaction a lot with DOE's Department of Energy. I had daily/monthly meetings with the inspector general. So I think my background, I could qualify. I think one thing that I could bring since this month is Asian-American month, I am half Japanese. I notice that on the Commission there really is no minority. I'm Asian-American. Also, I went to a boxing match on Sunday between a Japanese and a Mexican. They said Cinco de Mayo – Thank you very much. So I do think on that side, I could bring that forward too. Thank you very much, Chairman. The last point I would like to talk about is that I've always looked at Executive Director Hughes being responsible for the audit section in the Department. She's not. It's you. The Commission is. The Nevada Tax Commission is responsible for adopting the policies and procedures. I would like to know and I don't know if you can answer. Is there a way that the public can get a copy of the policies and procedures that have been established by the Tax Commission? Is that publicly available? The only thing I see is NAC 360.700, and I think there needs to be more to that. I'm going to end my comments. Thank you very much for ya'lls time. Thank you.

Director Hughes administered an oath to all parties testifying.

III. MEETING MINUTES:

- A. Consideration for Approval of the March 5, 2025 Nevada Tax Commission Meeting Minutes.
- B. Consideration for Approval of the March 19, 2025 Nevada Tax Commission Meeting Minutes.

Commissioner Sheets made a motion to approve the March 5, 2025 and March 19, 2025 Nevada Tax Commission meeting minutes. Commissioner Johnson seconded the motion. All in favor. Motion carried.

IV. COMPLIANCE DIVISION:

- A. Consideration and approval of Motion to Associate Counsel submitted by Appellant pursuant to NAC 360.085 and Nevada Supreme Court Rule 42:
 - 1) Toyota Lease Trust

David Rosen, Donna Wittig and Nicholas Belay, with Akerman LLC, were present on behalf of Toyota Lease Trust. Mr. Rosen stated he is requesting to associate counsel, Nicholas Belay, who is also with Akerman LLC, and located in Las Vegas, Nevada. Marcianelle Villanueva-Escolin, Deputy Attorney General, and Mary Huck, Deputy Attorney General, were present on behalf of the Nevada Department of Taxation. Commissioner Sheets made a motion to approve the Motion to Associate Counsel submitted by Appellant. Commissioner Byram seconded the motion. All in favor. Motion carried.

V. CONSENT CALENDAR:

- A. Waiver of Penalty and Interest Pursuant to a Request on a Voluntary Disclosure:
 - 1) Access Intelligence LLC
 - 2) HCL America Inc.
 - 3) HCL Technologies Limited
 - 4) Jamison Products Texas Rotating Equipment
 - 5) Shopify Inc.
 - 6) Vertical Dimensions LLC
- B. Waiver of Penalty and/or Interest pursuant to NRS 360.419 that exceeds \$25,000:
 - 1) Centurylink of Nevada
 - 2) Kilgore Companies LLC
 - 3) China Bowl Food Express
- C. 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) California Institute of Technology

- D. Consideration for the Adoption of the Administrative Law Judge's Proposed Decision concerning an Appeal of Department's Denial of Late-Filed Petition for Redetermination pursuant to NRS 360.360. Please Note: The purpose of this meeting is limited solely to the Commission's review and consideration regarding the untimely filing of your petition for redetermination. This meeting is not noticed to address the underlying merits of the deficiency determinations:
 - 1) Waterfall Holding dba Vape Wholesale USA
- E. Department's Recommendation to the Commission for Approval of a Payment Plan Request:
 - 1) MJ Distributing C201 LLC
- F. Consideration for Approval of Tax Bulletin 25-001 Pursuant to NRS 360.133 Regarding Taxation of Purchase, Sale, and Lease Back of Tangible Personal Property.
- G. Department's Recommendation to the Commission for Approval of an Offer-In-Compromise pursuant to NRS 360.263:
 - 1) Michael Tsunis for the debts of Flair Management Inc.
 - 2) Michael Tsunis for the debts of Tatuado Hospitality Management Group LLC

Commissioner Rodefer pulled Item V. E. 1) MJ Distributing C201 LLC for further discussion. Commissioner Adelhoch pulled items V. G. 1) Michael Tsunis for the debts of Flair Management Inc. and V. G. 2) Michael Tsunis for the debts of Tatuado Hospitality Management Group LLC for further discussion.

Commissioner Bellows made a motion to approve the Consent Calendar minus items V. E. 1), V. G. 1) and V. G. 2). Commissioner Witt seconded the motion. All in favor. Motion carried.

Item V. E. 1) MJ Distributing C201 LLC – Commissioner Rodefer asked for an explanation regarding the tax owed being \$469,446 and the \$20,000 monthly payments for 23 months only equalling \$460,000. Kathy Fey, Tax Program Supervisor, was present on behalf of the Nevada Department of Taxation. Kathy Fey stated the current balance is \$435,982.76; comprised of \$374,225.50 in tax, \$41,024.72 in penalty, and \$20,732.54 in interest, calculated through May 31st. Commissioner Rodefer made a motion to approve Item V. E. 1) MJ Distributing C201 LLC. Commissioner Witt seconded the motion. All in favor. Motion carried.

Items V. G. 1) Michael Tsunis for the debts of Flair Management Inc. and V. G. 2) Michael Tsunis for the debts of Tatuado Hospitality Management Group LLC – Michael Tsunis was present on behalf of the taxpayers. Kathy Fey, Tax Program Supervisor III, and Martin Paine, Tax Program Supervisor II, were present on behalf of the Nevada Department of Taxation. Commissioner Adelhoch mentioned the current financial information that the Department has requested has not been provided and asked if the Taxpayer is still operating restaurants in Nevada. Mr. Tsunis answered, yes, and stated he is preparing to exit. He is squaring things up as much as possible, preparing to move on with his life, and will get a job as a bartender. Kathy Fey confirmed that the Department is recommending approval of the offer-in-compromises. Commissioner Adelhoch made a motion to approve items V. G. 1) Michael Tsunis for the debts of Flair Management Inc. and V. G. 2) Michael Tsunis for the debts of Tatuado Hospitality Management Group LLC. Commissioner Sheets seconded the motion. All in favor. Motion carried.

VI. COMPLIANCE DIVISION:

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

- 1) Jack Ohanian for the debts of Pops Tire Shop LLC

No action was taken on the matter of Jack Ohanian for the debts of Pops Tire Shop LLC.

B. Department's Request for Approval of Motion to Dismiss Taxpayer's Appeal and Affirm the Decision of the Administrative Law Judge:

- 1) Maui Ola Industries LLC dba Lili's

David Pope, Chief Deputy Attorney General, was present on behalf of the Nevada Department of Taxation. A representative for Maui Ola Industries LLC dba Lili's was not present. Commissioner Sheets made a motion to approve the Motion to Dismiss Taxpayer's appeal and to affirm the Administrative Law Judge's decision. Commissioner Rodefer seconded the motion. All in favor. Motion carried.

C. Taxpayer's Appeal of Advisory Opinion No. 24-007 dated July 18, 2024, and Supplement to Advisory Opinion No. 24-007 dated October 15, 2024:

- 1) Toyota Lease Trust (Marcianelle Villanueva-Escolin)

David Rosen, with Akerman LLC, was present on behalf of Toyota Lease Trust. Marcianelle Villanueva-Escolin, Deputy Attorney General was present on behalf of the Nevada Department of Taxation. Commissioner Byram made a motion to withdraw Advisory Opinion No. 24-007 and the Supplement to Advisory Opinion 24-007. There was not a second to Commissioner Byram's motion. Motion died. Commissioner Sheets made a motion to deny the Taxpayer's appeal of Advisory Opinion 24-007 and the Supplement to Advisory Opinion 24-007. Commissioner Rodefer seconded the motion. Roll Call Vote: Commissioner Sheets – Aye, Commissioner Adelhoch – Aye, Commissioner Rodefer – Aye, Commissioner Bellows – Aye, Commissioner Johnson – Aye, Commissioner Byram – Nay, Commissioner Witt – Aye, Chair Kelesis – Aye. Motion carried.

VII. ENFORCEMENT OF AGE RESTRICTIONS ON TOBACCO, VAPOR, AND NICOTINE PRODUCTS OR ENFORCEMENT ACTIONS CONCERNING AGE RESTRICTIONS ON TOBACCO, VAPOR, AND NICOTINE PRODUCTS:

A. Licensee's Appeal of Administrative Law Judge's Decision pursuant to NRS 370.521:

- 1) Rose Group Holdings, Inc. dba 7-Eleven #33240C

Neil Rose was present on behalf of Rose Group Holdings, Inc. dba 7-Eleven #33240C. Lorin Taylor, Deputy Attorney General, was present on behalf of the Nevada Department of Taxation. Commissioner Sheets made a motion to uphold the licensee's appeal, pursuant to NRS 370.521, and to provide the requested relief to Rose Group Holdings, Inc. dba 7-Eleven 33240C. Commissioner Byram seconded the motion. All in favor. Motion carried.

VIII. LOCAL GOVERNMENT SERVICES:

A. Taxpayer's Appeal of the Treasurer's Denial of Waiver of Penalty and/or Interest pursuant to NRS 361.4835 (Clark County):

1) Cannon Ivan B & Helen C Family Trust ETA

The Commission took no action in the matter of Cannon Ivan B & Helen C Family Trust ETA. Linda Howard with Clark County Treasurer's Office was present and stated the penalty is being waived by Clark County. Lorna Quisenberry, Supervisor Locally Assessed Properties, was present on behalf of the Nevada Department of Taxation.

2) Cannon Properties LLC

The Commission took no action in the matter of Cannon Properties LLC. Linda Howard with Clark County Treasurer's Office was present and stated the penalty is being waived by Clark County. Lorna Quisenberry, Supervisor Locally Assessed Properties, was present on behalf of the Nevada Department of Taxation.

3) Cedar Arms LLC

Glenn Plantone was present on behalf of Cedar Arms LLC. Linda Howard with the Clark County Treasurer's Office was present. Lorna Quisenberry, Supervisor Locally Assessed Properties, was present on behalf of the Nevada Department of Taxation. Commissioner Sheets made a motion to deny the Taxpayer's appeal of the Treasurer's denial of waiver of penalty and/or interest. Commissioner Johnson seconded the motion. All in favor. Motion carried.

B. Discussion and Consideration for Approval of the Adoption of the 2025 - 2026 Ratio Study pursuant to NRS 361.333.

Lorna Quisenberry, Supervisor Locally Assessed Properties, was present on behalf of the Nevada Department of Taxation. Commissioner Witt made a motion to approve the adoption of the 2025-2026 Ratio Study. Commissioner Bellows seconded the motion. All in favor. Motion carries.

C. Discussion and Consideration for Approval of the 2026-2027 Personal Property Manual pursuant to NRS 361.227 and NAC 361.1365.

Jeffrey Mitchell, Deputy Executive Director, was present on behalf of the Nevada Department of Taxation. Commissioner Witt made a motion to approve the 2026-2027 Personal Property Manual. Commissioner Sheets seconded the motion. All in favor. Motion carried.

D. Discussion and Consideration for Approval of the 2026-2027 Improvement Factor Study pursuant to NRS 361.261(2).

Cheryl Erskine, Coordinator of Assessment Standards, was present on behalf of the Nevada Department of Taxation. Commissioner Byram made a motion to approve the 2026-2027 Improvement Factor Study pursuant to NRS 361.261(2). Commissioner Witt seconded the motion. All in favor. Motion carried.

- E. Discussion and Consideration for Approval of the Adoption of Bulletin 215, 2026-2027 Agricultural Land Values and Open Space Property Procedures pursuant to NRS 361A.140 and NRS 361.325(1)(b).

Cheryl Erskine, Coordinator of Assessment Standards, was present on behalf of the Nevada Department of Taxation. Commissioner Witt commented that it was nice to see that 19.5 percent of the farmers responded. Commissioner Witt made a motion to adopt Bulletin 215, 2026-2027 Agricultural Land Values and Open Space Property Procedures pursuant to NRS 361A.140 and NRS 361.325(1)(b). Commissioner Rodefer seconded the motion. All in favor. Motion carried.

- F. Discussion and Consideration for Approval of the 2026-2027 Assessor's Handbook of Rural Building Costs pursuant to NAC 361.128.

Cheryl Erskine, Coordinator of Assessment Standards, was present on behalf of the Nevada Department of Taxation. Commissioner Witt made a motion to approve the 2026-2027 Assessor's Handbook of Rural Building Costs pursuant to NAC 361.128. Commissioner Byram seconded the motion. All in favor. Motion carried.

IX. Marque Motor Coach, Inc. v. Nevada Tax Commission and Nevada Department of Taxation, Case No.: A-23-867175-J:

- A. Remand from the Eighth Judicial District Court for a hearing to allow Marque Motor Coach, Inc. to present evidence regarding its percentage of interstate travel and for the Nevada Tax Commission to issue a new recommendation with a detailed explanation of how the interstate travel percentage was calculated to be 77% (or any new percentage determined), including the specific records reviewed; and
- B. Discussion and approval of any statutory interest that may be applicable to a final determination regarding the final refund amount pursuant to NRS 360.2937.

Kimberly Maxon-Rushton with Cooper Levenson and Daniel Nisley with Marque Motor Coach appeared on behalf of Marque Motor Coach, Inc. Andrea Nichols, Senior Deputy Attorney General, was present on behalf of the Nevada Department of Taxation. At the meeting, Ms. Maxon-Rushton provided copies of the transcript from the 2021 administrative hearing that was referred to in the Prehearing Statement. Andrea Nichols stated pursuant to the Commission's Prehearing Order, the Department submitted proposed Exhibits A through G and asked that they be submitted into the record. Chairman Kelesis said they are admitted. Commissioner Sheets made a motion to affirm the recommendation of the interstate travel percentage calculated to be 77 percent based on what has been presented to the Commission today and moved to affirm the Department's recommended amount of overpayment refund which is \$94,553.35. As part of Commissioner Sheets' motion, he also moved that we apply a statutory interest rate subject to NRS 360.2937 and that such interest essentially not be applied but be stayed or tolled pending this going back to the District Court in its examination of the record that the Commission made in this case as to this matter. Commissioner Rodefer seconded the motion. All in favor. Motion carried.

X. 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)

There were no questions from the Commission.

XI. BRIEFING:

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

Shellie Hughes, Executive Director - On April 12th, the Senate Committee on Finance and the Assembly Committee on Ways and Means closed the Department's budget. Most of the Governor's recommended budget items were approved with a reduction in funding to the Department's training request, and instead of two general counsel positions, the Department was approved for two senior deputy attorneys general. For the Department's legislative bills, two bills have moved forward after first House passage. AB 11 regarding our proposed BDR's and budget. The presentation was heard yesterday in the Committee on Revenue and Economic Development. SB 41 regarding cannabis excise tax permits is tentatively scheduled to be heard by the Assembly Committee on Revenue on May 13th. This week is Employee Appreciation Week, and all three of our offices are celebrating with themed dress-up days, fun activities and food. Two of our staff members, Patric Starr and Heidi Fetic, have been selected by the Governor to receive an award during this year's Governor's Employee Recognition Ceremony that is being held this afternoon in Carson City. I want to take a moment to discuss the exceptional contributions and why they were chosen to be recognized. When Patric Starr joined up as our project manager, the modernization of the Department's tax system was already underway. This project is a massive complex initiative requiring strong coordination, vision and leadership. Patric stepped into this role with confidence and collaboration bringing structure, clarity and renewed momentum to the effort. Under his guidance, the successful roll out of this critical technology became a reality, improving how we serve both the Department and the citizens of Nevada. His leadership has been a driving force for meaningful change, making our systems more efficient, responsive and future ready. Heidi Fetic has played a pivotal role in integrating both the accounting section and the mail room into Project MYNT. Her patience, precision and commitment have ensured that our processes are not only complete but also efficient and accurate. From implementing the new IVNL scanner to reorganizing the mail room, Heidi consistently steps up to every challenge with calm determination. Her reliability, willingness to take on additional projects and problem solving mindset make her an invaluable member of our team. Congratulations to Patric and Heidi. I thank both of them for representing the Department in such an honorable way, and I also want to say thank you to all of our staff for their work and contributions to the Department and the State of Nevada.

XII. Next Meeting Date: June 25, 2025.

XIII. Public Comment.

David Pope, Chief Deputy Attorney General, introduced Lina Sakalauskas, Deputy Attorney General.

XIV. Items for Future Agendas.

No items were discussed.

XV. Meeting adjourned at 11:58 a.m.