

**Nevada Department of Taxation**  
**Net Proceeds of Minerals Tax**  
**Projected Year Report and Payment Form**

*Carefully read and follow the instructions provided.  
Failure to do so may result in fines, penalties or both.*

1. **THE COMPLETED REPORT SHALL BE FILED WITH THIS OFFICE NO LATER THAN MARCH 1, 2012. IF THE DUE DATE FALLS ON A SATURDAY, SUNDAY, OR HOLIDAY, THE POSTMARK MUST BE NO LATER THAN THE NEXT IMMEDIATE BUSINESS DAY TO BE ACCEPTED AS A TIMELY FILING.** Return the completed form and payment to:

Department of Taxation, DOAS, Centrally-Assessed Properties Section  
1550 College Parkway, Suite 115  
Carson City, NV 89706

2. The report covers operations for the twelve months ending December 31, 2012. A report must be filed showing the gross yield, claimed deductions, net proceeds, the appropriate tax rate, tax due, royalties paid (except for MMS royalties), tax due for royalties, and if there is an outstanding credit for each geographically separate operation where a mineral is extracted per NRS 362.115.
3. **Enter all information on the Nevada Department of Taxation Projected Net Proceeds of Minerals Tax report forms. Substitute forms will not be accepted unless they have the identical format. Additional detail information supporting entries on the form may be attached.**
4. You may request the report on a disc supplied by the taxpayer or via e-mail, and the completed form may be submitted electronically, if the certification portion of the report is completed and mailed in with an original signature. Keep a copy of what you sent for potential use in future filings.
5. **The reporting form being filed must contain all the information requested per NRS 362.115. A signed blank form is unacceptable and will be considered to be a failure to file. Failure to file a required report, or failure to file in a timely manner, shall subject the taxpayer to a penalty of not more than \$5,000, pursuant to NRS 362.230(1).** In addition, other penalties and interest may be applied for failure to timely pay the taxes due.
6. **Line 1: Gross Yield.** Enter the dollar amount of Gross Yield you are projecting for the current calendar year for all products. For each product, multiply projected volume for the period by the anticipated price per unit. Consult NAC 362.010, as amended, for additional guidance (<http://leg.state.nv.us/nac/NAC-362.html>).
7. **Line 2: Allowable Deductions.** Enter the dollar amount of Allowable Deductions you are projecting for the calendar year. This includes Extraction, Transportation,

Reduction, Refining and Sale, Delivery, Other Allowable Costs, Production Royalties, and Allowable Depreciation. **SB 493 changed some allowable deductions - Consult NRS and NAC 362 for additional guidance and LCB File No. R058-11 effective 12/30/11:**

- a. **Only direct costs of extraction for activities performed in Nevada**
  - b. **Only costs of delivery of the mineral (no marketing or costs of conversion into money)**
  - c. **No fire insurance costs**
  - d. **No medical or medical insurance costs for a 2-year period**
  - e. **Only costs of travel occurring within Nevada**
  - f. **Only costs of Nevada-based corporate services**
  - g. **Only developmental costs necessary to the mine or group of mines**
  - h. **Costs of reclamation allowed in the year the work actually occurred**
8. **Line 3:** Enter the dollar amount after subtracting Allowable Deductions (line 2) from Gross Proceeds (line 1).
9. **Line 4: Net Proceeds.** Enter the amount calculated on Line 3 if the number is positive. Enter a zero if the Net Proceeds calculation is zero or less than zero (negative or loss).
10. **Line 5: Tax Rate.** Enter the rate of taxes on Net Proceeds. For geothermal operators, this is always the total tax district rate. For all non-geothermal mine operators, if Net Proceeds exceed \$4 million, the rate is always 5%. For all non-geothermal mine operators, if Net Proceeds do not exceed \$4 million, then the rate is the higher of the following; the total tax district rate, and a rate from a table based on the Net Proceeds to Gross Proceeds ratio (line 4 divided by line 1). Two schedules are included with this projection report, one for the total tax district rates and one for the rates associated with net to gross ratios. Consult NRS 362.140 for additional guidance.
11. **Line 6: Net Proceeds Tax.** Enter the amount of tax owed by multiplying the Net proceeds (line 4) by the appropriate tax rate (line 5).
12. **Line 7: Royalties.** Enter the amount of royalties projected to be paid to royalty recipients for the calendar year. Do not report any royalties to be paid to the federal Minerals Management Services (MMS). Rent or lease payments, or minimum royalties which are unrelated to production also do not need to be reported. Consult NRS 362.105 for a definition of royalty.
13. **Line 8: Tax on Royalties.** Enter the amount of anticipated royalties to be paid, for the current calendar year (minus royalties paid to MMS), multiplied by 5%.
14. **Line 9: Current Year Projected Tax Due on Estimate.** Enter the sum of Net Proceeds Tax (Line 6) and Tax on Royalties (Line 8).
15. **Line 10: Prior Tax Owed/ (Credit).** Enter the amount of tax that may be owed from prior years or show the amount of credit remaining from the prior year.

- 16. Line 11: Total Tax Due/ (Remaining Credit).** Enter the amount shown on line 10 plus the amount shown on line 9.
- 17. Line 12: Payment Amount.** Enter the amount that the taxpayer is paying; this should be the amount on Line 11. If the figure on line 11 is a negative, enter 0.
- 18. Please note that tax payment for projected Net Proceeds and projected Royalties to be claimed for the current calendar year must accompany this Annual Projection Report.**