

Nevada Department of Taxation
Net Proceeds of Minerals Tax
Annual Report Instructions: Geothermal Operators

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

1. **THE COMPLETED REPORT SHOULD BE FILED WITH THIS OFFICE NO LATER THAN FEBRUARY 16, 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 to:

Department of Taxation, Centrally-Assessed Properties Section
1550 College Parkway, Room 115
Carson City, Nevada 89706

2. The report covers operations for the twelve months ending December 31 2011. A report must be filed showing the gross yield and claimed deductions for each geographically separate operation where a mineral is extracted, per NRS 362.110.
3. **Enter all information on the Nevada Department of Taxation 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 form on a disc supplied by the taxpayer or via e-mail, and the completed form may be submitted electronically, if a signed hard copy of the Contact Information and Signature Page with the Summary Page attached is also returned to the Department by the due date.
5. On the provided forms, enter values from the appropriate documents which best indicate each account balance. Use information from audited documents if they are available. This includes accounts with zero balances.
6. Taxpayers may submit amended annual reports up to thirty (30) additional days *from the date the report was timely filed. If the report submitted is found to be incomplete the Department may require the taxpayer to resubmit the statement. The resubmission must be completed within 10 days of the Department demand.*
7. **Filing a report per NRS 362.110 must contain statements showing the gross yield and claimed deductions. A signed blank form is unacceptable and will be considered to be a failure to file. Failure to file a 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.
8. **Contact Information and Signature Page.** Complete the contact information requested on page 1 of the report. Sign and date the statement after the oath. Please be aware NRS 362.240 "Penalty for false statements" requires the imposition of a penalty of not more than 15 percent of the tax in the event the report is false in any material respect.
9. **Summary Page 2: Recap of Gross Yield.** In Part A: Recap of Gross Yield, enter the type of product sold, the number of units produced and sold, and the total gross yield on line 1. Transfer data from Schedule A-1, A-2, or A-3, to either line 2, 3, or 4 on Summary Page 2. Also see instruction #12. Consult NAC 362.015 and the Temporary Regulation, as adopted September 11, 2006 by the Nevada Tax Commission, for additional guidance. If you need a copy, please call Patty Christian at (775) 684-2028, or Bernadette Poletti at (775) 684-2004.
10. **Summary Page 2: Recap of Claimed Deductions.** Enter data totals from schedules B, C and F on the appropriate lines in Part B of Summary page 2. Also see instructions 13-20.
11. **Summary Page 2: Net Proceeds or Loss.** In Part C, subtract the total allowable costs of production from the gross value of the geothermal resource, to obtain the taxable net proceeds (subtract line 13 from line 5). If the result is a negative number or loss, use parentheses.

12. **Schedule A-1, A-2 & A-3: Gross Value of Geothermal Resource.** Check statements 1 through 3, on Schedule A-1, as applicable. Use the appropriate schedule based on the type of transaction for the geothermal resource: A-1 Direct Sale of Resource; A-2 Sale of Electricity, negotiated Costs; A-3 Sale of Electricity, Transportation and Generation Allowances.
13. **Schedule B: Statement of Claimed Deductions.** A partial listing of allowable deductions is provided on the schedule. Indicate the amount of direct labor and other direct costs applicable to the extraction, transportation, and reduction, refining, and sale functions.

Also show the total amount claimed for each line item. Indicate the amount claimed for the costs of marketing, delivery of mineral, and conversion of mineral to money, as well as the cost of insurance and other allowable costs. **If unable to separate such items as wages and salaries or supplies and materials, or if unable to separate costs by function, indicate reason.**

THE REPORTING FORM PROVIDES FOR THE LISTING OF “OTHER ALLOWABLE COSTS”. ANY ENTRY MADE IN THE “OTHER ALLOWABLE COSTS” LINE-ITEM WILL NOT BE CONSIDERED AN ALLOWABLE DEDUCTION UNLESS IT IS FIRST SUPPORTED BY STATUTE OR REGULATION, AND SECOND, ITEMIZED AND SUPPORTED IN DETAIL. Attach detail sheets to the reporting form as necessary. **DO NOT USE** the column headed “Department Use Only.” Transfer the total claimed deductions to page 2 part B as follows:

Total extraction costs	Line 6	Total cost of marketing, Delivery	Line 9
Total transportation costs	Line 7	Total cost of insurance & other	Line 10
Total reduction refining, & sale	Line 8		

14. All deductions claimed must be “actual costs” as referenced in NRS 362.120. Any formulas or methods used to allocate deductions or to determine actual costs must be submitted in detail and attached to the reporting form. Use a separate sheet to show the formula or method used, and include any underlying documentation.
15. *Schedule B: Ensure training costs claimed are for training conducted in compliance with the Mine Safety and Health Administration and the division of industrial relations of the Department of Business and Industry or their successor organizations. The Department may request documentation to support the deduction.*
16. *Schedule B: Ensure deductions for group medical and accident insurance, hospital and medical attention are for employees only.*
17. *Schedule B: Attach a brief description of the nature of any reclamation deduction, and the schedule and line item where the reclamation deduction is claimed.*
18. *Schedule B: Deductions for developmental work in or about the mine may be taken if they are located within the mine plan submitted to federal or state regulatory agencies.*
19. **Schedule B-1: Geothermal Processing and Post Transportation Allowance.** Use this schedule if the sale of electricity includes an allowance for transportation and generation or negotiated costs. Transfer the data from Schedule B-1 to either schedule A-2 or A-3, Page 3.
20. **Schedule C: Statement of Production Royalties Paid.** Indicate the name, address, and phone number of each royalty recipient, and the amount of royalty paid. Attach a copy of IRS Form 1099, if applicable, to the Schedule. *If there are new royalty recipients, please inform them of their reporting responsibilities.*
21. **Schedules D, D-1, E, E-1, F: Statement of Additions, Deletions, and Depreciation Costs.** Please note that all depreciation allowed from 1980 should have been expended in 2000. There is no longer a column provided to report depreciation from 1980. Please separate additions and deletions which are actually transfers from one mine site to another and place on Schedules D-1, page 8 and E-1, page 9.
22. For allowable and non-allowable deductions, please consult NRS 362.120; NAC 362.030, 362.040, 362.050, 362.060, and 362.070. Additional information, forms and access to State Statutes (NRS) and Regulations (NAC) may directly or indirectly be obtained through the State’s Web Site (<http://nv.gov>) or the Department’s (<http://tax.state.nv.us>). *Please contact either Patty Christian at (775) 684-2028 or Bernadette Poletti at (775) 684-2004 if you are unclear as to allowable deductions.*

Nevada Department of Taxation

Net Proceeds of Minerals Tax

STATEMENT OF GROSS YIELD AND CLAIMED NET PROCEEDS

For Production January 1 through December 31, 2011

Fiscal Year 2011-2012 Per NRS 362.110

Return the completed reporting form to:

Nevada Department of Taxation
Centrally-Assessed Properties Section
1550 College Parkway, Room 115

Carson City, Nevada 89706

Questions? Call the Department at (775) 684-2028; 684-2004

CONTACT INFORMATION AND SIGNATURE PAGE

(Please print or type any changes)

Company Information:

Company Name

Mine Name

County

Tax Department Address

City, State, Zip Code

Representative to Contact Concerning this Report:

Name

Address (designate if different than above)

City, State, Zip Code (designate if different than above)

Telephone

Fax

E-mail

I hereby affirm the data on the Summary Page, attached, along with any accompanying schedules and documents, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete statement of the gross yield and actual costs incurred during the period indicated.

SIGNATURE

TITLE

DATE

MAKE SURE THE SUMMARY ON PAGE TWO (2) SHOWING THE NET PROCEEDS OR LOSS IS ATTACHED TO THIS SIGNATURE PAGE.

Net Proceeds of Minerals Tax
STATEMENT OF GROSS YIELD AND CLAIMED NET PROCEEDS
Geothermal Operators

For Production January 1 through December 31, 2011
 Fiscal Year 2011-2012 Per NRS 362.110

Summarize actual production and allowable deductions for the period beginning January 1, 2011 and ending December 31, 2011. Consult the reporting instructions provided by the Department and/or NRS 362.120 and NAC 362.030 through 362.070. If you are filing electronically, make sure you return the hardcopy of this Summary Page with the Contact and Signature Page.

Part A: RECAP OF GROSS VALUE OF RESOURCE EXTRACTED:

Report total product sold between January 1, 2011 and December 31, 2011. Include all capacity and energy payments if applicable.

	Product Sold	Number of Units Sold		Price Per Unit	Total Gross Yield	Dept. Use Only
		Kwhs	Other			
1						

Transfer the Gross Value of Resource from Schedules A-1 through A-3.

	Transaction Type	Gross Value of Resource	Dept. Use Only
2	Direct sale of geothermal resource NAC 362.015 (4) From Schedule A-1, Line 1		
3	Sale of Electricity, negotiated costs NAC 362.015(5)(a) From Schedule A-2, Line 5		
4	Sale of Electricity, Transportation and Generation Allowances NAC 362.015(5)(b): From Schedule A-3, Line 9		
5	TOTAL GROSS VALUE OF RESOURCE		

Part B: RECAP OF CLAIMED DEDUCTIONS FOR COST OF PRODUCTION:

Bring totals of cost categories from Schedules B, C and F forward to lines 6-12:

DO NOT INCLUDE COSTS LISTED IN SCHEDULES A-1, A-2, or A-3.		Total Cost	Dept. Use Only
6	Cost of Extraction		
7	Cost of Transportation		
8	Cost of Reduction, Refining and Sale		
9	Cost of Marketing, Delivery, and Conversion to Money		
10	Cost of Insurance and Other Miscellaneous Costs		
11	Production Royalties		
12	Allowable Depreciation		
13	Total Allowable Costs of Production		

Part C: NET PROCEEDS OR LOSS

Subtract total allowable costs of production from the gross value of the resource (Line 5 less Line 13):

		Dept. Use Only
14	Net Proceeds or Loss	

Statement of Gross Value of Geothermal Resource

Transaction Type (Check all that apply).

(1) Direct sale of product as described in NAC 362.015(4)

--

Go to line 1. Complete line 1 and transfer total to summary page.

(2) Sale of electricity where gross value is negotiated between developer of field and developer of generating plant per NAC 362.015(5) (a)

--

Go to line 2. Complete lines 2-5 and transfer line 5 to summary page.

(3) Sale of electricity where gross value is determined by deducting a transportation and generating allowance per NAC 362.015(5)(b).

--

Go to line 6. Complete lines 6-9 and transfer line 9 to summary page.

Schedule A-1, Direct Sale of Product

	A	B	C	D
Line No.	Transaction Type: Direct Sale of Product	Number of Units Produced and Sold	Price Received Per Unit	Gross Yield (Col. B x Col. C)
1	Direct sale of geothermal resource, as described in NAC 362.015(4)			

(Transfer to Summary Page 2, line 2)

Schedule A-2, Sale of Electricity, negotiated costs

	A	B	C	D
Line No.	Transaction Type: Sale of Electricity; negotiated costs	Total Capacity Payments to Taxpayer	Total Energy Payments to Taxpayer	Gross Yield (Col. B + Col. C)
2	Negotiated share of electrical energy claimed by Taxpayer			
3	Deduct negotiated generation costs. (Attach itemized list, or use Schedule B-1).		(-)	
4	Add Negotiated Field Replacement Costs Paid by Developer of Generating Plant (Attached itemized List)		(+)	
5	Gross Value of Resource (line 2 less line 3 plus line 4)			

(Transfer to Summary Page 2, line 3)

Schedule A-3, Sale of Electricity, Transportation and Generation Allowances

	A	B	C	D
Line No.	Transaction Type: Sale of Electricity; deduct transportation and generation allowances	Total Capacity Payments to Taxpayer	Total Energy Payments to Taxpayer	Gross Yield (Col. B + Col. C)
6	Sale of electricity			
7	Deduct Transportation allowance from Schedule B-1, Line 13, Column E.		(-)	
8	Deduct Generation allowance from Schedule B-1, Line 13, Column D.		(-)	
9	Gross Value of Resource (line 6 less lines 7 and 8)			

(Transfer to Summary Page 2, line 4)

Operator _____
 Mine Name _____

Nevada Department of Taxation

NPM Schedule B

Statement of Claimed Deductions

Line No.	Claimed Deduction Type	Cost of Extraction	Cost of Transportation	Cost of Reduction, Refining, and Sale	Total Amount Claimed	Depart Use Only
1	Direct Labor Costs					
2	Unemployment compensation and social security contributions					
3	Industrial Insurance, Medical Attention, Accident Insurance, Group Health Insurance					
4	Materials and Supplies					
5	Fuel, Power, Light					
6	Maintenance & Repair					
	Total Costs					

Transfer to Summary, Page 2, Lines 6, 7, and 8

Line	Cost of Marketing, Delivery of Mineral & Conversion of Mineral to Money	Amount Claimed	Department Use Only
7	Freight & Express		
8	Marketing (Costs pending regulatory definition by NTC - may not be accepted - Please itemize)		
9	Commissions		
10	Total Cost of Marketing, Delivery, & Conversion (Transfer to Summary, Page 2, Line 9)		

	Other Allowable Costs	Amount Claimed	Department Use Only
11	Fire Insurance (does not include general liability or umbrella policies)		
12	Operator-owned employee Housing (maintenance costs less rental receipts - net)		
13	Developmental Work		
14	Other (List) - Failure to itemize and describe will result in disallowance of the claimed deduction.		
15	Total Cost of Insurance and Other Allowable Costs (Transfer to Summary, page 2, Line 10)		

Attach Additional Sheets as Necessary
 Schedule B - General Costs, All Operators
 Page 4

Geothermal Processing and Post-processing Transportation Allowance

A	B	C	D	E	F	G
Line	Claimed Deduction	Description	Cost of Post-mining Processing	Cost of Post-mining Transportation	Total Amount Claimed (D+E)	Depart Use Only
	Operating Costs					
1	Materials and Supplies					
2	Fuel, Power, Light					
3	Maintenance & Repair					
4	Labor					
5	Unemployment compensation and social security contributions					
6	Overhead (i.e. Insurance, other)					
7	Total Operating Costs					

8	Total investment (Total of Class A or B assets only, schedule F, col F)				
9	Total depreciation of investment (From Schedule F, line 3)				

10	Undepreciated capital asset investment. (A & B assets only)				
11	Overall rate of return, based on Department's Cost of Capital Study. NAC 362.368 (e).	8.9022%	8.9022%		
12	Allowance for Return on Investment; multiply Line 10 times Line 11.				
13	Total All Post-mining Allowances (Add Lines 7, 9, and 12)				

Transfer total of Line 13, Column D, to Schedule A-2, Line 3 OR Schedule A-3, Line 8, as appropriate.

Transfer total of Line 13, Column E, to Schedule A-3, Line 7.

Attach Additional Sheets as Necessary

Schedule B-1, Geothermal Transportation Generating Allowance

Operator _____
 Mine Name _____

Nevada Department of Taxation

NPM Schedule C

Statement of Production Royalties Paid

List all production royalty recipients. Attach additional pages if necessary. Attach a copy of IRS Form 1099 for each royalty recipient.

	Name	Address	City, State, Zip	Phone No.	Amount Paid	Dates Payments Made
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34	Total Production Royalties Paid (Transfer to Page 2, Line 11)					

Operator _____
 Mine Name _____

Statement of Additions to Capitalized Property

List and detail assets by class, as indicated below, showing original cost installed by asset.

- Classes of Property:** A= Leasehold Improvements or Buildings - 20 year life
 B = Fixed Machinery and Equipment - 20 year life
 C = Mobile Machinery and Equipment - 10 year life
 D = Autos and light service vehicles - 5 year life

Property transferred from one mine site to another site owned by the same company report on schedule D-1 and E-1.

2011 Additions			
Class	Asset	Description	(A) Original Cost Installed
A			
Total Class A Additions to Capitalized Property			
B			
Total Class B Additions to Capitalized Property			
C			
Total Class C Additions to Capitalized Property			
D			
Total Class D Additions to Capitalized Property			
Total Additions (Class A, B, C, and D) to Capitalized Property			
Transfer each class total in Column A to Schedule F, Column B			

Attach Additional Sheets as Necessary

Schedule D - Property Additions

Statement of Additions to Capitalized Property

List and detail assets by class, as indicated below, showing original cost installed by asset.

- A= Leasehold Improvements or Buildings - 20 year life
- B = Fixed Machinery and Equipment - 20 year life
- C = Mobile Machinery and Equipment - 10 year life
- D = Autos and light service vehicles - 5 year life

Report only property transferred from one mine site to another mine site owned by the same company on this form.

2011 Additions - TRANSFERS IN ONLY				
Class	In-service Mo. / Yr.	Transferred from What Mine	Description	(A) Original Cost Installed
A				
Total Class A Additions to Capitalized Property				
B				
Total Class B Additions to Capitalized Property				
C				
Total Class C Additions to Capitalized Property				
D				
Total Class D Additions to Capitalized Property				
Total Additions (Class A, B, C, and D) to Capitalized Property				

Transfer each class total in Column A to the appropriate line on Schedule F, Column C

Attach Additional Sheets as Necessary

Operator _____
 Mine Name _____

Nevada Department of Taxation

NPM Schedule E-1
 Transfers Only

Statement of Deletions to Capitalized Property

List and detail assets by class, as indicated below, showing original cost installed by asset.

- Classes of Property:** A= Leasehold Improvements or Buildings - 20 year life
 B = Fixed Machinery and Equipment - 20 year life
 C = Mobile Machinery and Equipment - 10 year life
 D = Autos and light service vehicles - 5 year life

Report only property transferred from one mine site to another mine site owned by the same company on this form.

2011 Deletions - TRANSFERS OUT ONLY

	(A)	(B)	(C)	(D)			
Class	Description	Year Originally Acquired	Acquisition Cost	Dept Use Only	Transferred to what mine site	Date transferred	Dept Use Only
A							
Totals, Class A							
B							
Totals, Class B							
C							
Totals, Class C							
D							
Totals, Class D							
Total, All Classes							

Transfer each class total in Column B to the appropriate Line on Schedule F, Column E

Attach Additional Sheets as Necessary

Schedule E-1, Deletions - Transfers Between Mines, Same Operator

Operator _____
 Mine Name _____

Nevada Department of Taxation

NAP Schedule F

Statement of Depreciation Costs

Depreciation Summary									
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Class	Total Adjusted Acquisition Cost From Last Year (2010-11) NPM Report (Col F)	Total From Column (A), Schedule D	Total From Column (A), Schedule D-1	Total From Column (B), Schedule E	Total From Column (B), Schedule E-1	Total Acquisition Cost Col (A) + Col (B) + Col (C) - Col (D) - Col (E)	Percent Depreciation	Allowable Depreciation	Total Adjusted Acquisition Cost (F) Minus (H)
A							5%		
B							5%		
C							10%		
D							20%		
1	Total								

			Department Use Only
2	Enter: 2011 Production Year Depreciation Total (Col H Line 1, above)		
3	Enter: 2011 Remaining Value of Deleted Items (Total From Col. D, Schedule E)		
4	Add: Line 2 + 3 above, Equals Total 2011 Allowable Depreciation (Transfer to Page 2, line 12)		

Department Use Only									
A							5%		
B							5%		
C							10%		
D							20%		
	Total								

DEPARTMENT USE ONLY:

Date desk review complete: _____
 Reviewer: _____
 Computer Entry complete: _____
 Comments: _____