

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

***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 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 number of units produced and sold, and enter the total gross yield for each product. Check statements, lines 6 through 9 as applicable. Consult NAC 362.010, as amended, for additional guidance. ***If there are any differences in the amount that will be reported to the Nevada Division of Minerals on the Annual Production Report, please explain.***
10. **Summary Page 2: Recap of Claimed Deductions.** Enter data totals from schedules A, B, and E on the appropriate lines in Part B.
11. **Summary Page 2: Net Proceeds or Loss.** In Part C, subtract the total allowable costs of production from the gross yield, or gross value of the geothermal resource, to obtain the taxable net proceeds (subtract line 17 from line 5). If the result is a negative number or loss, use parentheses.

PLEASE BE ADVISED THAT CERTAIN CHANGES TO ALLOWABLE DEDUCTIONS WERE ENACTED BY SB 493, BUT THEY DO NOT BECOME EFFECTIVE UNTIL PRODUCTION FOR THE 2012 CALENDAR YEAR.

12. **Schedule A: 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 10	Total cost of marketing	Line 13
Total transportation costs	Line 11	Total cost of insurance & other	Line 14
Total reduction refining, & sale	Line 12		

13. 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.
14. *Schedule A: 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.*
15. *Schedule A: Submit documentation showing the basis for Schedule A, fire insurance. Ensure deductions do not include premiums for liability insurance or for machinery, equipment, apparatus, and facilities not used in the mine.*
16. *Schedule A: Ensure deductions for group medical and accident insurance, hospital and medical attention are for employees only.*
17. *Schedule A: 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 A: 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: Statement of Production Royalties Paid.** Indicate the name, address, and phone number of each royalty recipient, and the amount of production royalty paid based on extraction of a mineral (See NRS 362.105). 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.
20. **Schedules C, D, E, C-1, D-1: 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 C-1, page 7 and D-1, page 8.
21. 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
All Mine Products

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 YIELD OF MINERALS EXTRACTED:

Report total product sold between January 1, 2011 and December 31, 2011:

	Product	Total Product Sold by Unit				Total Gross Yield	Dept. Use Only
		Ounces	Pounds	Tons	Other		
1							
2							
3							
4							
5	Grand Total						

Please check any of the following statements that apply:

6	The gross yield was based on an actual market sale.	
7	The gross yield was based on a price set in a contract or other document of sale.	
8	The gross yield was based on the closing spot price on the date of the taxable event.	
9	The transaction was with an associated or affiliated company.	

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

Bring totals of cost categories from Schedules A, B and E forward to lines 10-16:

		Total Cost	Dept. Use Only
10	Cost of Extraction		
11	Cost of Transportation		
12	Cost of Reduction, Refining and Sale		
13	Cost of Marketing, Delivery, and Conversion to Money		
14	Cost of Insurance and Other Miscellaneous Costs		
15	Production Royalties		
16	Allowable Depreciation		
17	Total Allowable Costs of Production		

Part C: NET PROCEEDS OR LOSS

Subtract total allowable costs of production from the gross yield (Line 5 less Line 17):

		Dept. Use Only
18	Net Proceeds or Loss	

Operator Name _____
 Mine Name _____

Nevada Department of Taxation

NPM Schedule A

Statement of Claimed Deductions

Line No.	Claimed Deduction Type	Cost of Extraction	Cost of Transportation	Cost of Reduction, Refining, and Sale	Total Amount Claimed	Department 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 Page 2, Lines 10, 11, and 12						

Line	Cost of Marketing, Delivery of Mineral & Conversion of Mineral to Money	Amount Claimed	Department Use Only
7	Freight & Express		
8	Commissions		
9	Marketing (Costs pending regulatory definition by NTC - may not be accepted - Please itemize)		
10	Total Cost of Marketing, Delivery, & Conversion (Transfer to Page 2, Line 13)		

	**** 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 & describe will result in disallowance of the claimed deduction ****		
15	Total Cost of Insurance and Other Allowable Costs (Transfer to Pg. 2, Line 14)		

Operator Name _____
 Mine Name _____

Nevada Department of Taxation

NPM Schedule B

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 15)					

Operator Name _____
 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 C-1 and D-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 Col. A to Schedule E, Col. B.			

**Nevada Department of Taxation
 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 C = Mobile Machinery and Equipment - 10 year life
 B = Fixed Machinery and Equipment - 20 year life D = Autos and light service vehicles - 5 year life

Property transferred from one mine site to another mine site owned by the same company report

2011 Deletions							
Class	Description	Year Originally Acquire	(B) Acquisition Cost	Dept Use Only	(C) Less consideration for sale,	(D) Remaining Value to be Claimed in	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 Col. B to Sch. E, Col. D; Transfer Total Col. D to Sch. E, Line 3							

Statement of Transfer in of 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 E, Column C.				

Operator Name _____
 Mine Name _____

Nevada Department of Taxation

NPM Schedule E

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 C	Total From Column (A), Schedule C-1	Total from Column (B), Schedule D	Total from Column (B), Schedule D-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, Sch. D)	
4	Add; Line 2 + Line 3 above, Equals Total 2011 Allowable Depreciation (Transfer to Page 2, line 16)	

Department Use Only									
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
A							5%		
B							5%		
C							10%		
D							20%		
	Total								

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