



time and consequently could not also be deducted as a royalty expense by the operator. See *Record, SBE page 6; Tr. 6-30-16, p. 8, l. 4 through p. 9, l. 24.*

- 4) The Department is required to determine and certify the net proceeds of all minerals extracted. *NRS 362.100.*
- 5) The State Board affirmed the correction to the certified net proceeds proposed by the Department. See *Tr., 6-30-16, p. 10, ll. 2-24.*

### CONCLUSIONS OF LAW

- 1) The notice of appeal was timely filed by the Department, and the State Board has jurisdiction to determine this matter.
- 2) The Taxpayer and the Department are subject to the jurisdiction of the State Board.
- 3) The State Board has the authority to determine the amount of net proceeds and tax due in the State pursuant to NRS 362.135.
- 4) The amount of net proceeds and tax due as affirmed by the State Board results in the proper amount of net proceeds and tax due in accordance with NRS 362.105 and 362.120.
- 5) Royalties do not include (a) rents or other compensatory payments which are fixed and certain in amount and payable periodically over the duration of the lease regardless of the extent of extractions; or (b) minimum royalties covering periods when no mineral is extracted if the payments are fixed and certain in amount and payable on a regular periodic basis. See *NRS 362.105(2).*
- 6) Any conclusion of law above construed to constitute a finding of fact is adopted as such to the same extent as if originally so denominated.

### DECISION

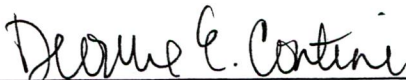
Based on the foregoing Findings of Fact and Conclusions of Law the certification of net proceeds of minerals tax by the Department is affirmed. The Department is instructed to certify the assessment consistent with this decision.

#### 2015-2016 Unsecured Roll

Big Ledge Mine	Original Certification		Corrected Certification	
	Calculated Net Proceeds	Royalty Basis	Calculated Net Proceeds	Royalty Basis
Net Proceeds	\$2,379,484.08	\$80,351.00	\$2,429,484.08	\$30,351.00
<b>TOTAL</b>	<b>\$2,379,484.08</b>	<b>\$80,351.00</b>	<b>\$2,429,484.08</b>	<b>\$30,351.00</b>

The Department is instructed to certify the assessment consistent with this decision.

BY THE STATE BOARD OF EQUALIZATION THIS 30<sup>th</sup> DAY OF AUGUST, 2016.



Deonne Contine, Secretary  
DC/ter