

**Nevada Department of Taxation
Net Proceeds of Minerals Tax
Quarterly Revised Projection Reporting Forms**

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

1. These four reports may optionally be filed by the taxpayer, per NRS 362.115 as amended by SB-2 (2008). While there may be other reasons for filing these reports, it is expected that the taxpayer will choose to file these reports if the taxpayer is not very confident that the initial required projection and payment from March 1, 2014 (see NRS 362.115 as amended by SB-2) will constitute at least 90% of the final tax bill. Sending in the quarterly revised projection reports, and subsequently the incremental payments as indicated by the reports, is a means by which the taxpayer may eventually meet the 90% threshold and avert a 10% penalty on the taxes not accurately projected. The due dates for the first, second, third and fourth quarterly revised annual projection reports are, respectively, April 30, 2014, July 31, 2014, October 31, 2014 and January 31, 2015. 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.

2. Return the completed forms to:

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

PLEASE BE ADVISED, ALL FORMS ARE AVAILABLE ON OUR WEBSITE:

http://tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/Net_Proceeds_Forms_and_Instructions/

Upon completion of your forms, you may also email your forms to: jomdahl@tax.state.nv.us

3. The reports cover operations for each three month period ending March 31, June 30, September 30, and December 31, 2014. The reports must be filled out completely for each geographically separate operation where a mineral is extracted, per NRS 362.115.
4. **Enter all information on the Nevada Department of Taxation Projected Net Proceeds of Minerals Tax Quarterly Revised Projection reporting forms. Substitute forms will not be accepted unless they have the identical format. Additional detail information supporting entries on the form(s) may be attached.**
5. You may request and submit the report electronically. Retain a copy for potential use in future filings.
6. **Filing a report per NRS 362.115 must contain the information requested. 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, may subject the taxpayer to a penalty of 10% of the difference between the Projection Report and the Actual Annual Net Proceeds of Minerals Report if the difference is greater than 10%, pursuant to NRS 362.130(4).** In addition, other penalties and interest may be applied for failure to timely pay the taxes due.
7. **Line 1: Gross Yield.** Enter the dollar amount of Gross Yield for each quarter of the calendar year for all products in Column A through D. Gross Yield is the volume in units times the price per unit. For past quarters, enter actual amounts. For future quarters and quarters not ended yet, enter the amount based on projected amounts and prices. Consult NAC 362.010, as amended, for additional guidance. Add together the amounts in Column A through D on Line 1 and put the sum on Line 1, Column E.

8. **Line 2: Allowable Deductions.** Enter the dollar amount of Allowable Deductions for each quarter of the calendar year in Column A through D. For past quarters, enter actual amounts. For future quarters and quarters not ended yet, enter the projected amounts. Add together the amounts in Column A through D on Line 2 and put the sum on Line 2, Column E. This includes Extraction, Transportation, Reduction, Refining and Sale, Other Allowable Costs, Production Royalties, and Allowable Depreciation.

PLEASE BE ADVISED THAT CERTAIN CHANGES TO ALLOWABLE DEDUCTIONS WERE ENACTED BY SB 493 – LCB FILE NO. R058-11 EFFECTIVE 1/1/12.

9. **Line 3: Net Proceeds.** Enter the dollar amount after subtracting Allowable Deductions (Line 2) from Gross Yield (Line 1) for Column A through E.
10. **Line 4: Royalties Payable.** Enter the amount of Royalties projected to be paid for each quarter of the calendar year in Column A through D. Do not report 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. For past quarters, enter actual amounts. For future quarters and quarters not ended yet, enter the projected amounts. Add together the amounts in Column A through D on Line 4 and put the sum on Line 4, Column E.
11. **Line 5: Net Proceeds.** On Line 5, Column F, enter the annual net proceeds as calculated in the last projection report submitted for the current year. If the last projection report was the initial projection report, enter the amount from Line 3 of the initial projection report on Line 5, Column F. If the last projection report was a quarterly revised projection report, enter the amount from Line 5, Column G of the last report onto Line 5, Column F of the current report. On Line 5, Column G, enter the amount from Line 3, Column E. On Line 5, Column H, enter the difference from Line 5, Column G minus Line 5, Column F.
12. **Line 6: Net Proceeds Tax Rate.** On Line 6, Column F, enter the annual net proceeds tax rate as calculated in the last projection report submitted for the current year. If the last projection report was the initial projection report, enter the rate from Line 4 of the initial projection report on Line 6, Column F. If the last projection report was a quarterly revised projection report, enter the rate from Line 6, Column G of the last report onto Line 6, Column F of the current report. On Line 6, Column G, 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. Two schedules are included with this projection report, one for the total tax district rates (to be revised in June for current year rates) and one for the rates associated with net to gross ratios. Consult NRS 362.140 for additional guidance.
13. **Line 7: Net Proceeds Tax.** On Line 7, Column F, enter the annual net proceeds tax as calculated in the last projection report submitted for the current year. If the last projection report was the initial projection report, enter the amount from Line 5 of the initial projection report on Line 7, Column F. If the last projection report was a quarterly revised projection report, enter the amount from Line 7, Column G of the last report onto Line 7, Column F of the current report. On Line 7, Column G, enter the annual amount of tax owed by multiplying the Net Proceeds (Line 5) by the appropriate Tax Rate (Line 6). On Line 7, Column H, enter the difference from Line 7, Column G minus Line 7, Column F.
14. **Line 8: Royalties Payable.** On Line 8, Column F, enter the annual royalties payable as calculated in the last projection report submitted for the current year. If the last projection report was the initial projection report, enter the amount from Line 6 of the initial projection report on Line 8, Column F. If the last projection report was a quarterly revised projection report, enter the amount from Line 8, Column G of the last report onto Line 8, Column F of the current report. On Line 8, Column G, enter the amount from Line 4, Column E. On Line 8, Column H, enter the difference from Line 8, Column G minus Line 8, Column F.

- 15. Line 9: Tax on Royalties.** On Line 9, Column F, enter the annual tax on royalties as calculated in the last projection report submitted for the current year. If the last projection report was the initial projection report, enter the amount from Line 7 of the initial projection report on Line 9, Column F. If the last projection report was a quarterly revised projection report, enter the amount from Line 9, Column G of the last report onto Line 9, Column F of the current report. On Line 9, Column G, enter Line 8 times 5%. On Line 9, Column H, enter the difference from Line 9, Column G minus Line 9, Column F.
- 16. Line 10: Total Tax.** On Line 10, Column F, enter the annual total tax as calculated in the last projection report submitted for the current year. If the last projection report was the initial projection report, enter the amount from Line 8 of the initial projection report on Line 10, Column F. If the last projection report was a quarterly revised projection report, enter the amount from Line 10, Column G of the last report onto Line 10, Column F of the current report. On Line 10, Column G, enter the sum of Net Proceeds Tax (Line 7, Column G) and Tax on Royalties (Line 9, Column G). On Line 10, Column H, enter the difference from Line 10, Column G minus Line 10, Column F.
- 17. Line 11: Prior Tax Owed / (Credit).** On Line 11, Column F, enter the prior tax owed / (credit) as calculated in the last projection report submitted for the current year. If the last projection report was the initial projection report, enter the amount from Line 9 of the initial projection report on Line 11, Column F. If the last projection report was a quarterly revised projection report, enter the amount from Line 11, Column G of the last report onto Line 11, Column F of the current report. On Line 11, Column G, enter the amount of tax that may be owed from prior years or show the amount of credit remaining from the prior year. Generally this will be the same as Line 11, Column F; if however there was a decision on an appeal or audit, or correction of an error from a prior year, a revision to the beginning annual balance may be in order.
- 18. Line 12: Net Tax Due / (Remaining Credit).** On Line 12, Column F, enter the annual tax due / (remaining credit) or net tax due / (remaining credit) as calculated in the last projection report submitted for the current year. If the last projection report was the initial projection report, enter the amount from Line 10 of the initial projection report on Line 12, Column F. If the last projection report was a quarterly revised projection report, enter the amount from Line 12, Column G of the last report onto Line 12, Column F of the current report. On Line 12, Column G, enter the amount shown on Line 10, Column G plus the amount shown on Line 11, Column G. On Line 12, Column H, enter the difference from Line 12, Column G minus Line 12, Column F.
- 19. Line 13: Payment Amount.** On Line 13, Column F, enter the amount paid to date for the current year. Except for unusual circumstances, it should equal the Net Tax Due from Line 12, Column F. If true, on Line 13, Column H, enter the amount from Line 12, Column H, if that number is positive. If the amount on Line 12, Column H is negative or zero, enter zero on Line 13, Column H. This is the incremental tax due and payable, assuming prior payments covered the prior projections.
- 20. Line 14: Revised Tax Owed / (Credit).** On Line 14, Column F, enter the difference from Line 12, Column F minus Line 13, Column F. If the previous payments were insufficient to cover the projected tax due from the prior estimates, this will be a positive number. In this case, you should have received a notice of penalty for non-payment from the Department with instructions for satisfying your obligation. Please follow those instructions.
- 21. Please note that tax payment for Revised Projected Net Proceeds and projected Royalties to be claimed for the current calendar year must be made within 30 days after filing a quarterly report that indicates an additional estimated tax liability is due.**