

**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 SHALL BE FILED WITH THIS OFFICE NO LATER THAN FEBRUARY 16, 2014. LATE FILING PENALTIES APPLY TO ALL RETURNS POSTMARKED AFTER FEBRUARY 16, 2014. 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 form to:

Department of Taxation, Centrally-Assessed Properties Section
1550 College Parkway, Room 115
Carson City, Nevada 89706
3. The report covers operations for the twelve months ending December 31, 2013. A report must be filed showing the gross yield and claimed deductions from each geographically separate operation where a mineral is extracted, per NRS 362.110.
4. **Enter all information on the Nevada Department of Taxation Net Proceeds of Minerals Tax 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. If you are filing electronically, please also return the signed original report to the Department.**
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 (\$0.00) 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 report. 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 the report. Sign and date the statement after the oath. Please be aware that 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. **Statement of Gross Yield and Claimed Net Proceeds: Gross Value of Resource Extracted.** Part A: Enter the product sold, number of units sold, and the total gross yield for each product. Transfer the data from Schedules A-1, A-2, or A-3 to Lines 6-8. Consult NAC 362.368, 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. **Statement of Gross Yield and Claimed Net Proceeds: Claimed Deductions for Cost of Production.** Part B: Itemize and describe actual production costs and allowable deductions for the period beginning January 1, 2013 and ending December 31, 2013. Enter totals from Schedules B, E, and E-1 on the appropriate lines in Part B. All deductions claimed must be "actual costs" as referenced in NRS and NAC 362. Consult NRS 362.120, NAC 362.030 through 362.070, and NAC 362.368.
11. **Statement of Gross Yield and Claimed Net Proceeds: Net Proceeds or Loss.** Part C: Subtract the total allowable costs of production from the total gross yield, or total gross value of the geothermal resource, to obtain the taxable net proceeds. If the result is a negative number or loss, use parentheses.
12. 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 supporting documentation.

THE REPORTING FORM PROVIDES FOR THE LISTING OF "OTHER ALLOWABLE COSTS". ANY ENTRY MADE UNDER "OTHER" WILL NOT BE CONSIDERED AN ALLOWABLE DEDUCTION UNLESS IT IS SUPPORTED BY STATUTE OR REGULATION, AND, ITEMIZED AND DESCRIBED IN DETAIL

13. **Schedules A-1, A-2, A-3: Statement of Gross Value of Geothermal Resource.** Check Statements 1 through 3, as applicable. Use the appropriate Schedule based on the type of transaction for the geothermal resource sale.
14. **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 per 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.
15. **Schedules C, C-1, D, D-1, E, E-1: Statement of Additions, Deletions, Transfers In, Transfers Out, and Depreciation Costs.** Please separate additions and deletions which are actually transfers from one mine site to another and place on Schedules C-1 and D-1.
16. 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 Kirk McElhaney at (775) 684-2033, Erin McMurtrey at (775) 684-2004 or Bill Schilling 775 684 2028 if you are unclear as to allowable deductions.***