

For Production January 1 through December 31, 2021 (Tax Year 2021-22) NRS 362.115(1)(a)

GENERAL INSTRUCTIONS:

The Nevada Department of Taxation (Department) prepared these instructions to assist operators in estimating Net Proceeds of Minerals Tax for calendar year 2020 per NRS 362.115(1)(a). Refer to Chapter 362 of Nevada Revised Statutes (NRS) and Chapter 362 of Nevada Administrative Code (NAC).

Also refer to the instructions for Forms 2201 (Geothermal Operator – Statement of Gross Yield and Claimed Net Proceeds) and 2202 (Operator – Statement of Gross Yield and Claimed Net Proceeds).

Per NRS 362.115(1)

“In addition to the statement required by subsection 1 of [NRS 362.110](#), each person extracting any mineral in this State shall, on or before March 1 of each year, file with the Department a statement showing the estimated gross yield and estimated net proceeds from each such operation for the entire current calendar year and an estimate of all royalties that will be paid during the current calendar year.”

The completed Form 2204 may be submitted electronically or it may be printed, completed and mailed or hand delivered. The Operator may submit the completed Form 2204 electronically by submitting the completed excel workbook and electronically attaching supporting documents. The Operator may submit the completed Form 2204 in paper form by printing the form, manually completing, signing, and delivering Form 2204 to the Department. Electronic submission is preferred. **Payment is Due March 1st, 2021**

To submit Form 2204 electronically, email Form 2204 and any supporting documentation to the following contact. The date and time on the email will be used to determine timeliness of filing per NRS 362.115.

Matt Tomich	775-684-2018	npm-projections@tax.state.nv.us
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For paper submission, return the completed Form 2204 and any supporting documentation to:

Nevada Department of Taxation
Centrally Assessed Properties Section
1550 College Parkway, Room 144
Carson City, Nevada 89706

We will email you an excel spreadsheet to be returned to us. We strongly urge you to email it back to the email address on the form. You need to fill out the blue highlighted fields:

- Line 1 Gross Yield
- Product 1 Through 6 (As many as needed)
 - Description
 - Quantity
 - Price
 - Unit of Measure
 - Amount will be calculated by the form.

- Line 2 Deductions
- Line 7 Royalties Payable Based on Production

Please fill out and review the form. Save it where you want to store your copy and then digitally sign the form on line 49 next to the big X. Once you sign the form it is locked, and you can't change it.

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A signed blank form is unacceptable and will be considered a failure to file. An illegible, incomplete, and/or unintelligible Statement will also be considered a failure to file.

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 supporting information may be attached and must be clearly identified and associated with a specific entry on the form.

SPECIFIC INSTRUCTIONS

FORM 2204

We will email the form to you with the Operator, Mine Name, Mine Type, PIN Number, County, Tax District, District Tax Rate already filled in.

Line 1: Gross Yield

Enter the dollar amount of the projected Gross Yield for calendar year 2021 for all products. Please fill in the product, the quantity and the price for each product sold. The form will calculate the dollar amount. If there are not enough lines on the form, please attach a schedule showing the quantity and price of each product. **If you do not fill out the quantity and price of each product it will be considered a non-filing.**

Line 2: Allowable Deductions

Enter the dollar amount of projected Deductions from Gross Yield for calendar year 2021 on Line 2. Refer to the instructions for Forms 2201 (Geothermal Operator – Statement of Gross Yield and Claimed Deductions) and/or Form 2202 (Operator – Statement of Gross Yield and Claimed Deductions) for information on deductions that may be claimed.

Line 3: Calculated Net Proceeds

The form will subtract Line 2 from Line 1 to calculate Net Proceeds. This is a formula in the cell for Line 3.

Line 4: Net Proceeds

If the net proceeds calculated on Line 3 is positive, the form will enter the line 3 amount on Line 4. If the amount on Line 3 is negative or zero, the form will enter zero on Line 4. The amount on Line 4 represents the Estimated Net Proceeds of the Operator subject to the Net Proceeds of Minerals Tax for production year 2021.

Line 4a Net Proceeds Divided by Gross Yield

The form divides Line 4 Net Proceeds by Line 1 Gross Yield. This percentage is used to calculate the NPM Tax Rate in Line 4b

Line 4b NPM Tax Rates

These are calculated fields and no input is needed. **NPM Tax Rate (NRS 362.140.1)** is based on the percentage on line 4a and the sliding scale in NRS 362.140.1. If Net Proceeds exceed \$4 million, the rate is always 5% for non-geothermal. For geothermal operators, the tax rate is always the total tax district rate.

District Rate is from the top of the form (B12). General Fund is the difference between the NPM Tax Rate and the District Tax Rate

Line 5: Tax Rate

The tax rate is the greater of the NPM Tax Rate in Line 4b or the District Tax Rate in Line 4B. This is calculated by the form.

Line 6 Net Proceeds Tax

The form Calculates Line 4 Net Proceeds multiplied by Line 5 NPM Tax Rate

Line 7: Royalties Payable

Enter the dollar amount of royalties expected to be paid for the calendar year 2020 on Line 6. Do not report royalties paid or to be paid to the federal Minerals Management Services (MMS) or other royalties not subject to the Net Proceeds of Minerals Tax. Rent or lease payments, or minimum royalties which are unrelated to production must not be reported. The amount on Line 7 represents the estimated royalties subject to the Net Proceeds of Minerals Tax for calendar year.

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Line 7a Royalty Tax Rates

The Royalty Tax Rate from NRS 362.140.3 is 5%
The District Tax Rate is from the top of the form
(B12) The General Fund Percent is Royalty Tax
Rate minus The District Tax Rate. This is a
calculated field

Save the form where you want to keep it and then
digitally sign the form on line 49 next to the big X.
Once you sign it is locked from changes.

Please email the completed form to the email on
the top right of the form.

Line 8 Net Proceeds on Royalties

Multiplies Line 7 Royalties Payable by Line 7A
Royalty Tax Rate. This a calculated field.

Line 9 Estimated Total NPM Tax Due

Adds Line 6 Net Proceeds Tax and Line 8 Net
Proceeds Tax on Royalties. This is a calculated
field.

Line 10a NPM Prepayment Amount

Net Proceeds from Line 4 multiplied by the
General Fund Percentage from Line 4b This is a
calculated field.

Line 10b Royalty Prepayment Amount

Royalties Payable from Line 7 multiplied by
Royalties General Fund Percentage on Line 7a.
This is a calculated field.

Line 10 Total General Fund Prepayment Due for
the Year

Line 10a NPMN Prepayment Amount Plus Line
10b Royalty Prepayment Amount. This is a
calculated field.

Line 11 General Fund Underpayment or General
Fund Overpayment

Prior Period underpayments or overpayments to
apply to Line 10 Total General Fund Prepayment
Due for the Year.

Line 12 General Fund Tax Due or
(Overpayment No General Fund Tax Due).

If there is a balance due, please send a copy of
the form with the check to the address on the
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prepayment.

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Line 10a NPM Prepayment Amount

Net Proceeds from Line 4 multiplied by the
General Fund Percentage from Line 4b This is a
calculated field.

Line 10b Royalty Prepayment Amount

Royalties Payable from Line7 multiplied by
Royalties General Fund Percentage on Line 7a.
This is a calculated field.

Line 10 Total General Fund Prepayment Due for
the Year

Line 10a NPMN Prepayment Amount Plus Line
10b Royalty Prepayment Amount. This is a
calculated field.

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