

## Comments on R130-21 – Gold and Silver Excise Tax Proposed Regulations

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Page 12, Section 14. It is unclear how this would ever be relevant to the mining industry. Suggest deleting this section.

Page 12, Section 15(1)(a). A transaction-level general ledger for a full year in Excel format is an enormous amount of information to have on hand. First, it is likely 99% costs and expenses, which are not relevant to a gross revenue tax. Second, it would not be needed by the operator to prepare the filing, nor useful to an auditor in reviewing the filing. Suggest limiting it to transaction-level of the gold and silver revenue accounts. Otherwise, detail-level in Excel with the ability to drill down in the company database during an audit if detail by transaction is needed.

Page 13, Section 15(1)(k). What type of inventory records are relevant here? Materials and supplies, in-circuit, stockpile, etc. There is no tax at the inventory level, so not sure what is being requested and why.

Page 14, Section 18. Section 17 already covers the entities to which this law applies. Section 18 is unnecessarily complex and contradictory. Suggest deleting this full section.

Page 17, Section 20(1). With this wording, it would require every business with over \$20 million in gross revenue to file the tax return. Suggest restating the first part to say, “Each business entity **engaged in the business of extracting and selling gold or silver, or both**, whose Nevada gross revenue in a taxable year exceeds \$20,000,000...”

Page 18, Section 21(2)(a). This assumes that the gross yield reported for the prior year net proceeds tax is only gold and/or silver. It could include other minerals. Suggest changing it to say, “Greater than the gross yield **of gold or silver, or both** during the immediately preceding calendar year...”

Page 18, Section 21(2)(b). This assumes that all federal revenue reported is gold and/or silver. Mining companies often have multiple sources of reportable revenue. Plus, it may include revenue sourced from outside the state of Nevada. Suggest, “The same as, or similar to, the revenue **from the sale of gold or silver, or both sourced from the state of Nevada as** reported on the federal income tax return...”

Page 19, Section 23. This siting provision is not needed and may just confuse the issue. The gold and silver is extracted from the earth in Nevada. There would be no question as to where it is attributed, it is not a service so the provision of the Commerce Tax do not apply. Suggest deleting this section.