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Question 2:
An Amendment to the *Nevada Constitution*

Executive Summary

This Fact Sheet presents information about Question 2, the proposed constitutional amendment to remove the separate tax rate and manner of assessing the tax on the proceeds of minerals. This Fact Sheet explains what will happen if Question 2 passes or fails to pass, and presents information about the mining industry in Nevada and the distribution of current net proceeds of minerals taxes.

Question 2 is a proposal to amend Sections 1 and 5 of Article 10 of the *Nevada Constitution* and will be on the ballot of the general election in November 2014.

Question 2 reads: "Shall the *Nevada Constitution* be amended to remove the cap on the taxation of minerals and other requirements and restrictions relating to the taxation of mines, mining claims, and minerals and the distribution of money collected from such taxation?"

If passed, Question 2 would remove provisions related to the taxation of the net proceeds of minerals and the distribution of tax revenue from the *Nevada Constitution*, also known as the Net Proceeds of Minerals Tax. This tax is an "ad valorem property tax assessed on minerals mined or produced in Nevada when they are sold or removed from the state. This tax is separate from, and in addition to, any property tax paid on land, equipment and other assets."[1]

Under current law, the *Nevada Constitution* caps taxation of minerals at 5 percent of net proceeds. Voter approval of Question 2 would enable the Nevada Legislature to exceed the 5 percent limitation on the taxation of net proceeds of minerals in the future via statute. The *Constitution* also requires that the revenue be allocated to local government entities within each county based on the property tax rate in each county. Provisions regarding administration of the tax are contained in statute.

The *Fact Sheet on Question 2: An Amendment to the Nevada Constitution* provides the following:

- A description of Question 2 and why it is coming before the voters;
- A summary of Senate Bill 400, which will go into effect on November 25, 2014 if a majority of voters approve Question 2;
- The calculation of net proceeds of mineral taxes, by county;
- The state-wide distribution of the net proceeds of mineral taxes, by county;
- A description of the economic impact of the mining industry in Nevada; and
- A summary of the arguments for and against Question 2.

Question 2:
An Amendment to the *Nevada Constitution*

Objective

This Fact Sheet presents information about Question 2, the proposed constitutional amendment to remove the separate tax rate and manner of assessing the net proceeds of minerals. This Fact Sheet explains what will happen if Question 2 passes, and presents information about the mining industry in Nevada and the distribution of current net proceeds of minerals taxes.

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1. What is Question 2?

Question 2 is a proposal to amend Sections 1 and 5 of Article 10 of the *Nevada Constitution* and will be on the ballot of the general election in November 2014.

Question 2 reads: "Shall the *Nevada Constitution* be amended to remove the cap on the taxation of minerals and other requirements and restrictions relating to the taxation of mines, mining claims, and minerals and the distribution of money collected from such taxation?"[2]

If passed, Question 2 would remove provisions related to the taxation of the net proceeds of minerals and the distribution of tax revenue from the *Nevada Constitution*, also known as the Net Proceeds of Minerals Tax. This tax is an "ad valorem property tax assessed on minerals mined or produced in Nevada when they are sold or removed from the state. This tax is separate from, and in addition to, any property tax paid on land, equipment and other assets."[3]

Under current law, the *Nevada Constitution* caps taxation of minerals at 5 percent of net proceeds. Voter approval of Question 2 would enable the Nevada Legislature to change the rate at which net proceeds of minerals are taxed in the future via statute. The *Constitution* also requires that the revenue be allocated to local government entities within each county based on the property tax rate in each county. Provisions regarding administration of the tax are contained in statute.[4]

2. Why is this measure coming to the voters?

Question 2 is coming to the voters through the passage of Senate Joint Resolution (SJR) 15 of the 2011 Legislative Session. In Nevada, a constitutional amendment initiated by the State Legislature must pass in the same form in *two* consecutive legislative sessions, and then be approved by the voters at a subsequent general or special election. When SJR 15 passed in identical fashion in both the 2011 and 2013 legislative sessions, State law required that the measure be placed on the November 4, 2014 ballot for consideration by voters.

Under current law, the *Nevada Constitution* caps taxation of minerals at 5 percent of net proceeds. Voter approval of Question 2 would enable the Nevada Legislature to exceed (or lower) the 5 percent limitation on the taxation of net proceeds of minerals in the future via statute. However, many other aspects of the tax (e.g. types of allowable deductions and the distribution of the net proceeds of minerals taxes) are in statute and can be changed at any time by the Legislature.

3. What happens if Question 2 passes?

If Question 2 passes, the provisions governing the taxation of net proceeds of minerals in Nevada will be removed from the *Nevada Constitution* and placed in the statutes in accordance with the provisions of Senate Bill (SB) 400 (Chapter 495, *Statutes of Nevada, 2013*). If the ballot measure is approved, both SJR 15 and SB 400 would become effective on November 25, 2014. SB 400 is essentially a "hold harmless" bill intended to ensure that if SJR 15 is passed by the voters and becomes effective, the current tax structures will remain the same.[5]

SB 400 clarifies that the net proceeds of minerals tax will become an excise tax on mineral extraction, instead of an ad valorem tax on real property as indicated in current law. If voters approve Question 2 and SB 400 is enacted, *the excise tax rates would be the same as the existing tax rates on net proceeds*.

The change from net proceeds to designating it as an excise tax upon mineral extraction and royalties avoids the constitutional provision that requires a uniform and equal rate of assessment and taxation for ad valorem or property taxes. An excise tax is imposed on carrying on a business or engaging in an activity, rather than on the value and ownership of the property. Preliminary legal analysis suggests that an excise tax could have differing tax rates based on the type of business or activity, or the gross and net revenue from the business or activity, without violating the *Nevada Constitution*.[6]

The *Nevada Constitution* requires a specified amount of the existing net proceeds tax to be distributed to each county and the local governmental units and districts, including the school district, within the county where minerals are extracted. This distribution must be made to these entities in the same proportion as they share in the local property tax. SB 400 would require the same distribution to these entities from the excise tax upon mineral extraction and royalties.

In addition, SB 400 would continue to exempt property that is used in geothermal operations from consideration in determinations of the taxable value of the property. SB 400 also upholds the provision that excludes exempt property from being included in determinations of the taxable value of the property (this provision will largely affect unpatented mining claims). Further, SB 400 would continue to guarantee that when determining the taxable value of property, the value of mineral deposits attached to the land will not be included in the taxable value. This exclusion ensures that the taxation of minerals will occur only when they are extracted. Finally, SB 400 upholds existing legislation, which provides that the gross yield and net proceeds on minerals tax and the mineral royalties paid from mineral extraction are exempt from personal property tax if they are subject to the excise tax upon removal.

4. What happens if Question 2 fails to pass?

If Question 2 fails to pass, the current provisions governing the taxation of the net proceeds of minerals will remain in the *Nevada Constitution* and SB 400 will not become effective. Mining companies in Nevada will continue operating in a tax policy environment that upholds the current rate of taxation at 5 percent of net proceeds of minerals.

5. If Question 2 passes, will mining companies in Nevada have to pay more taxes?

Not necessarily. In the short-term, mining companies operating in Nevada would not be subject to higher taxes. The provisions contained in SB 400 are intended to make the changes revenue neutral upon adoption of Question 2 by the voters. In addition, SB 400 would maintain the same tax rates, exemptions, governing provisions, and distribution systems between the State, counties, school districts, and other local governmental units that currently exist.

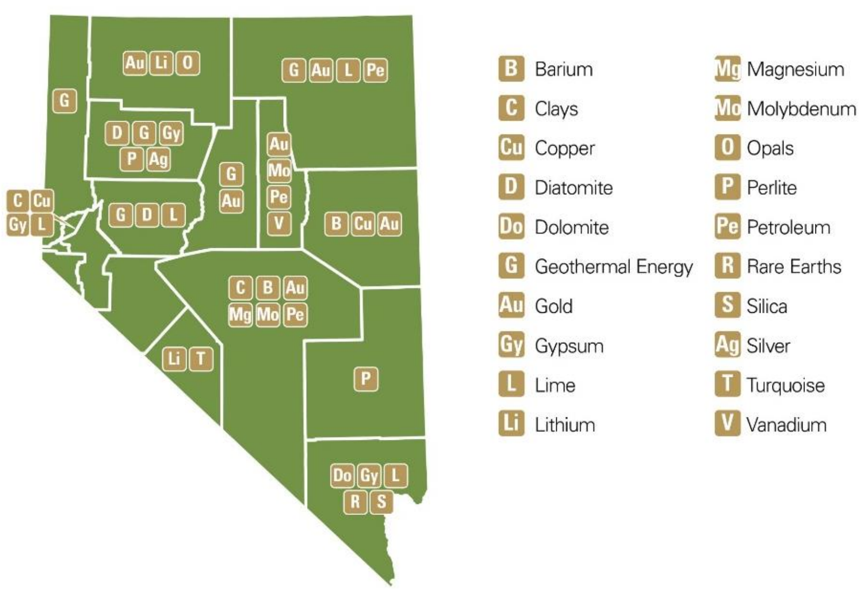
However, in the long-term, if Question 2 is approved by the voters, the Legislature, or the people through the initiative process, could raise the net proceeds of minerals tax rate. Should the State Legislature decide to revisit these issues in the 2015, or any subsequent, legislative session, such changes in the tax rate would require two-thirds (2/3) approval of both houses of the State Legislature and approval by the Governor. That said, many other aspects of the net proceeds of minerals tax, such as the structure of the tax and deductions, can be changed at any time by the Legislature with majority approval.

6. How important is the mining industry to Nevada's economy?

Nevada has incredible natural resource wealth, which is distributed across the state. While gold is the most valuable of the natural resources extracted in recent years, Nevada has reserves of various metals and minerals (see Figure 1). Of the 116 mining operators in Nevada, roughly one-third of them extract gold, although some extract other minerals and metals as well. Not surprisingly, mining plays an important role in Nevada's economy and its history. In 2013, the mining industry's share of Nevada's gross domestic product (GDP) was 6.1 percent, compared to only 2.4 percent in 1997.[7] Mining is the fifth largest contributor to the state's economy, following real estate (14 percent), accommodation and food (14 percent), government (11 percent), and retail trade (7 percent).[8]

Mining in Nevada contributes not only to the absolute size of the state's economy, but also plays an important role raising the standard of living of its workers. The Nevada Department of Employment, Training, and Rehabilitation (DETR) reports that the average annual income of all mining industry employees in 2013 was $87,335, which is significantly higher than the $43,543 average annual income of all Nevada workers.[9] Data from 2014 shows that the mining industry employs 15,470 employees, which reflects 1.3 percent of the state's workers.[10] The Nevada Mining Association estimates that the total induced and indirect employment amounts to roughly 2.3 percent of total employment (or roughly 28,266 workers).[11]

Figure 1. Mining in Nevada[12]



7. How much tax revenue is typically collected?

The amount of net proceeds of minerals taxes collected varies each year. In 2013-14, $171 million in revenue was received on $8.8 billion in gross proceeds of minerals while the amount remitted in 2012-13 was $256 million from more than $9 billion in gross proceeds.[13] The amount of tax revenue collected is highly correlated to the global price of gold and other minerals (see Figure 2). For example, the price of gold declined 27 percent in 2013. While the contribution of mining to Nevada's GDP rose 394 percent over 2003-2013, this amount fell by 18.6 percent in 2013.[14] Table 1 shows how net proceeds of minerals taxes were allocated among the counties and to the State.

The taxable net proceeds of minerals are determined by deducting certain costs from gross proceeds such as extraction, transportation, and processing. The net proceeds of minerals tax rate ranges from 2 percent to 5 percent, depending on the ratio of net proceeds to gross proceeds. If the property tax rate in the county is greater than 2 percent, the tax rate used is the greater of the property tax rate or the net proceeds of minerals tax rate. Royalties are taxed at 5 percent with no deductions and geothermal operations are taxed at the county property tax rates.

Figure 2. Net Proceeds of Minerals Taxes vs. Average Annual Gold Price[15]

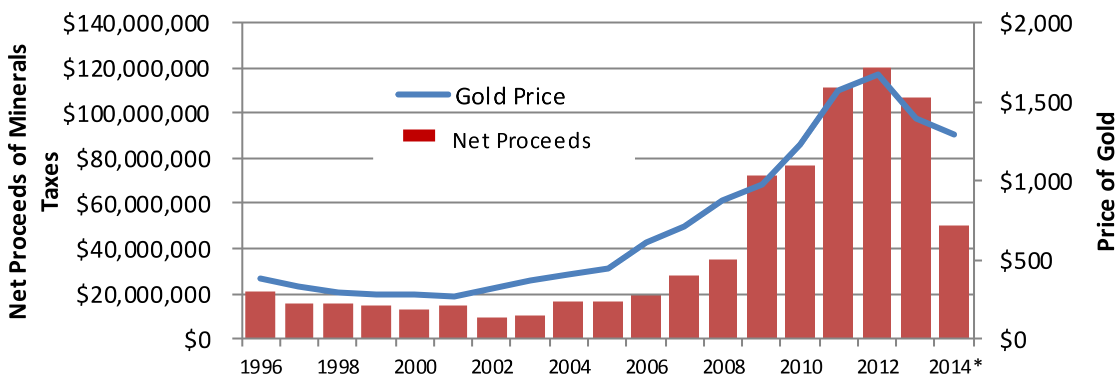


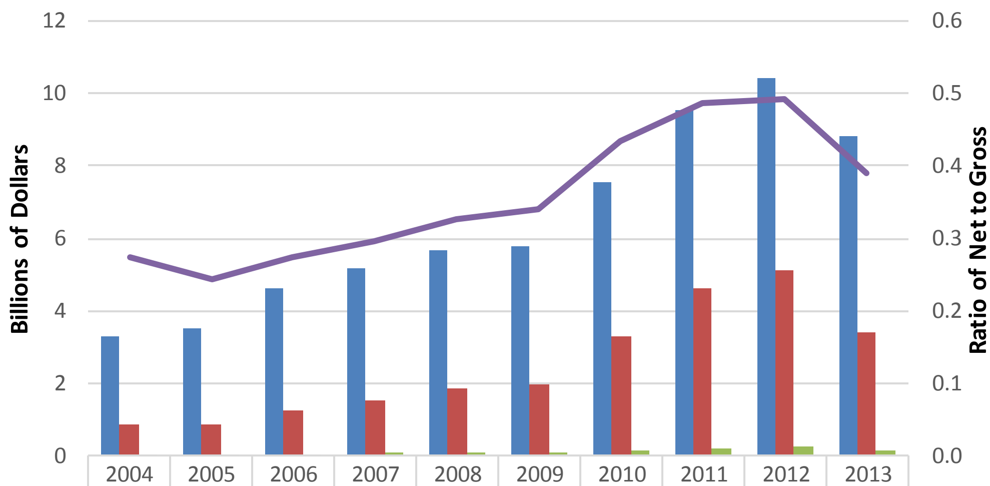
Table 1: Net Proceeds of Minerals Allocated in 2013-14[16]

Location	Schools	Counties	Cities/ Towns	Special Districts	State Bond Interest and Redemption Fund	State General Fund	Total
Churchill	239,721	231,035	0	10,332	31,348	186,167	698,604
Clark	79,733	40,013	1,148	23,197	10,399	141,977	296,469
Douglas	48	65	0	35	10	123	280
Elko	2,405,071	1,344,595	820	44,893	272,575	3,947,598	8,015,550
Esmeralda	210,971	590,577	0	0	47,820	554,371	1,403,739
Eureka	6,635,926	7,483,555	0	75,207	1,504,143	28,481,569	44,180,402
Humboldt	4,206,959	3,570,924	0	2,018,064	808,116	13,145,127	23,749,190
Lander	11,149,680	28,607,104	0	7,595,162	2,527,261	24,373,012	74,252,218
Lincoln	2,469	3,394	0	2,992	431	29	9,316
Lyon	53,518	37,183	0	26,656	6,806	35,851	160,014
Mineral	821,444	1,635,420	0	149,353	126,950	981,614	3,714,781
Nye	2,198,564	2,217,997	466,646	395,531	279,967	2,602,051	8,160,757
Pershing	674,979	796,358	0	246,514	99,779	1,117,061	2,934,691
Storey	12,682	33,961	0	0	2,410	7,830	56,882
Washoe	53,996	66,005	0	9,676	8,063	31,534	169,274
White Pine	636,438	1,242,933	0	344,021	108,303	853,681	3,185,375
TOTAL	**29,382,198**	**47,901,120**	**468,614**	**10,941,632**	**5,834,382**	**76,459,593**	**170,987,539**

8. How is the Net Proceeds of Minerals Tax determined? What is the current rate?

Figure 3 presents data comparing gross proceeds, net proceeds, net proceeds of minerals taxes, and the ratio of net proceeds to gross proceeds over time. Proponents of Question 2 argue that while gross proceeds have increased (correlated with the recent rise in the global price of gold), net proceeds of minerals taxes is less than one-half of gross proceeds. For example, in 2004, the ratio of net proceeds to gross revenues was 0.27; in 2012, the ratio was 0.49.

Figure 3: Gross Revenue, Net Revenue, Net Proceeds of Minerals Taxes, and Ratio of Net Proceeds to Gross Proceeds, Nevada, 2004-2013



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Gross Revenue	3.3	3.5	4.6	5.2	5.7	5.8	7.5	9.6	10.4	8.8
Net Proceeds	0.9	0.9	1.3	1.5	1.9	2.0	3.3	4.6	5.1	3.4
Tax	0.04	0.04	0.06	0.08	0.09	0.10	0.16	0.22	0.26	0.17
Net/Gross	0.27	0.24	0.28	0.30	0.33	0.34	0.43	0.49	0.49	0.39

Source: Nevada Department of Taxation, 2013-2014 *Net Proceeds of Minerals Bulletin* and Nevada Department of Taxation: Local Government Finance Property Taxes for Nevada Local Governments Fiscal Year 2013-2014

Proponents of Question 2 argue that the net proceeds amount is so low (relative to gross proceeds) because mining companies are allowed to deduct many of the costs related to extraction of the resources in the ground. In several cases, mining companies deduct costs that exceed gross proceeds. A review of the Nevada Department of Taxation's 2013-2014 *Net Proceeds of Minerals Bulletin* indicates that of the 35 operating gold, silver and copper mines, 10 reported negative net proceeds for which they did not pay taxes.

Opponents of Question 2 have stated that the gap between gross proceeds and net proceeds reflects, in part, the growing costs of extracting minerals from the ground. As noted by the Nevada Mining Association, ore bodies are deeper and ore grades are lower than in the past, both of which raise the costs of extracting the resources. Equipment, fuel, and labor costs have all increased in recent years, resulting in lower net proceeds. Further, the concentration of the natural resource within an ore body varies widely. The costs for extracting a resource increase as the resources decrease in concentration.[17] In other words, it costs more to extract a natural resource when it is less concentrated in the ore. This also explains why the costs vary across individual mines.

9. How does the Net Proceeds of Minerals Tax rate compare to rates in other states?

Similar to Nevada, other states with natural resources impose taxes on these resources (e.g. timber, coal, oil and gas, minerals, etc.). This class of taxes is often called severance taxes (excise taxes on natural resources 'severed' from the earth) and they are levied when landowners sell nonrenewable resources. They are typically assessed on the gross value of the resource and are paid by the party extracting the resource. At least 36 states have some sort of severance tax, and 31 states specifically levy taxes on oil and natural gas development.[18]

Nevada and Wisconsin are the only states with a net proceeds of minerals tax so it is difficult to directly compare Nevada's net proceeds of minerals taxes to severance taxes in other states. Further, it is difficult to compare states that produce different materials. In 2009 Dr. John Dobra at the University of Nevada, Reno compared tax rates on gold mining operators in ten Western States (Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming). Nevada was ranked #4 when assessing the direct tax on gold that mining operators paid (compared to Colorado at #5 and California at #9). But when considering the *overall* tax liability of gold mining operators, Nevada fell into the middle of the states (#5), while Colorado was ranked #2 and California was ranked #1. This indicates that while some states, like California and Colorado, have low tax rates on the extraction of gold, the gold mining operators pay higher property, sales and use, and corporate income taxes than they do in Nevada.[19] Appendix A presents comparative information on severance taxes for a select number of states in the U.S.

10. How are the Net Proceeds of Minerals Taxes currently allocated in Nevada?

Net proceeds of minerals taxes are currently distributed to both local governments and the State General Fund. The amount distributed to local governments is based on the property tax rates in each county for school districts, counties, cities, and special districts. Taxes are also allocated to the State Bond Interest and Redemption Fund at a rate of 0.17 percent. The property tax rate used in each jurisdiction varies as shown in Table 2 and the maximum rate is 3.66 percent. Any additional tax paid up to the 5 percent maximum rate goes to the State General Fund.

11. Do mining companies pay other taxes?

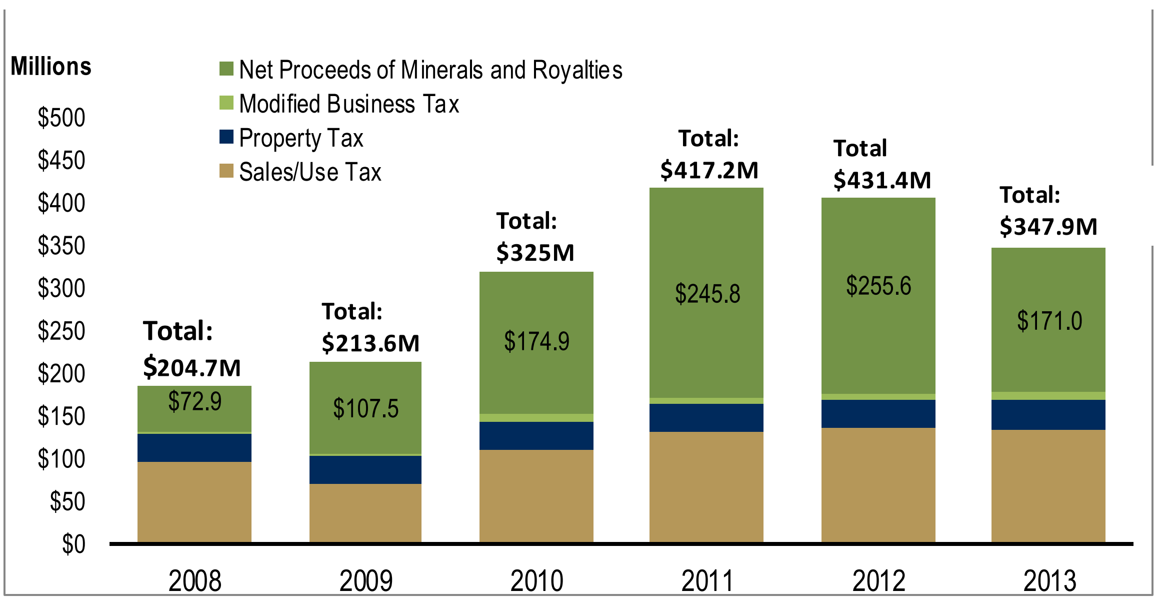
Yes. In addition to the net proceeds of minerals tax, mining companies pay sales and use tax, the modified business tax, and facility property taxes. Based on company data, the Elko Daily Free Press reported that Barrick Gold Corporation and Newmont Mining Corporation paid roughly "$71.5 million and $41.8 million respectively" in 2013 taxes beyond net proceeds.[20] Total taxes paid by mining companies in Nevada are shown in Figure 4. Nevada's mining companies have one of the highest taxes paid per employee ratios across all industries – approximately $33,000 (comparable to $24,700 in neighboring Arizona in 2012).[21,22] There is considerable variation among companies in the amount of taxes paid per employee.

Table 2: 2014-2015 Property Tax Rates Used to Distribute Net Proceeds of Minerals Tax

	Property Tax Rates Used for Distribution of Net Proceeds of Minerals						
County	Schools	Counties	Cities	Towns	Maximum Combined Special Districts	State Bond Interest and Redemption Fund	FY 2014-15 Countywide Tax Rate
Carson	1.1800	2.1600			0.0300	0.1700	3.5230
Churchill	1.3000	1.2529	0.8271		0.1100	0.1700	3.0305
Clark	1.3034	0.6541	0.2600 to 1.1587	0.0200 to 0.8416	1.2555	0.1700	3.0562
Douglas	0.8500	1.1680		0.5548 to 0.6677	0.8043	0.1700	3.1648
Elko	1.5000	0.8386	0.9200 to 1.1481	0 to 0.5891	0.0537	0.1700	2.8969
Esmeralda	0.7500	2.0995				0.1700	3.0195
Eureka	0.7500	0.8458		0.2153	0.0866	0.1700	1.7790
Humboldt	0.8850	0.7512	0.9700		0.5454	0.1700	2.5526
Lander	0.7500	1.9243		0.0500 to 0.3048	0.5786	0.1700	3.3597
Lincoln	0.9731	1.3375		0.4142 to 0.5313	0.5179	0.1700	3.0650
Lyon	1.3367	0.9287		0.4044 to 0.6169	1.1560	0.1700	3.3617
Mineral	1.0300	2.2600			0.2000	0.1700	3.6229
Nye	1.3350	1.3468		0.2105 to 0.6081	0.3200	0.1700	3.2986
Pershing	1.1500	1.3568	0.5624	0.1500	0.4200	0.1700	3.2305
Storey	0.8947	1.8514			0.5446	0.1700	3.4604
Washoe	1.1385	1.3917	0.9598		0.7100	0.1700	3.4959
White Pine	0.9990	1.9510			0.5400	0.1700	3.6600

Source: Nevada Department of Taxation: Local Government Finance Property Taxes for Nevada Local Governments Fiscal Year 2014-2015

Figure 4: Taxes Paid by Mining Companies Operating in Nevada



Source: Nevada Mining Association, presentation to Economic Forum, October 17, 2014.

12. Have there been any previous efforts to increase the tax rate on net proceeds of minerals?

Yes. Various organizations and State legislators have undertaken efforts over the years to change the tax rate on net proceeds of minerals and make other reforms or changes in the methods of assessing and taxing the mining industry in Nevada (for examples, see footnote).[23] The only successful action took place in 1989 after almost a decade of controversy and political maneuvering. Voters approved SJR 22 of the 1987 session on May 2, 1989, with overwhelming support (3-to-1). This measure established the existing provisions relating to the net proceeds of minerals in the current *Nevada Constitution*, which allows the Legislature to tax the net proceeds of minerals at a rate different than other property, up to the constitutional limit of 5 percent. The argument for the passage of that 1989 ballot question indicated that it would allow the Nevada State Legislature to generate additional revenue for the state by requiring the mining industry to pay increased taxes.

13. Would the passage of Question 2 result in a loss of jobs?

Over the period 2004-2014, employment in Nevada's mining industry has grown approximately 75 percent and now directly employs around 15,470 workers. Opponents of Question 2 worry that if the ballot measure is approved and the Legislature increases the tax rate on net proceeds of minerals, mining companies in Nevada will be forced to reduce their workforce or downsize operations. Again, the approval of Question 2 (and enactment of SB 400) preserves existing tax rates on the net proceeds of minerals in the short term. To raise the net proceeds of minerals tax rate that mining companies pay, the Nevada Legislature would have to consider this issue in the 2015 Legislature Session and any proposal to raise taxes would require approval from two-thirds (2/3) of both houses of the Legislature and the Governor.

If the Legislature were to vote to raise the net proceeds of minerals tax rate, the impact on mining operations and the overall economy is unclear. A 2010 study examining the impact of a new oil and gas severance tax in Pennsylvania found that the tax would have a "slight negative impact on the state's economy" owing to workforce reduction, but that "these negative impacts could be more than offset by increased spending of the severance tax revenue by state and local governments." Another study posited that the overall net impact of a proposed severance tax would depend on various economic factors and overall market conditions.[24,25]

In addition, mining companies assess several factors when making investment decisions about operations in any location. According to the 2013 Fraser Institute Survey of Mining Companies, mining companies consider the security situation, mineral potential, the geological database, available labor and skills, and political stability. In 2013, Nevada was ranked #2 (84.2 points) on the investment attractive index, behind Australia (85.3), and ahead of Canada (81.3), Finland (80.2) and Alaska (80.2).[26] So, mining companies will assess the overall investment environment, including tax policy, when making investment and hiring decisions.

14. Can you summarize the arguments for and against Question 2?

Topic	Argument For	Argument Against
Impact on mining industry	There will be no immediate impact. If Question 2 passes, SB 400 will go into effect and guarantees that Question 2 will be revenue neutral. The Legislature could increase the tax rate in the 2015 Legislative Session or subsequent sessions.	Many smaller, rural communities rely heavily on the mining industry. They could be unfairly disadvantaged if the tax rate and structure are significantly altered.
Tax burden on mining companies	Mining companies have provisions in the *Nevada Constitution* that cap the amount of taxes they pay on net proceeds of minerals. The effective tax rate is 2 percent.	Mining companies pay other taxes. Taxes per employee are among the highest across all industries.
Job impacts	The global price of commodities is often a more robust determinant of employment trends than tax policy.	The tax rate per employee is among the highest in the state. Mining companies may have to reduce the workforce if the tax rate increases.
Mining operations in Nevada	Overall, Nevada has a very attractive investment environment; companies will continue operating to extract resources.	Mining is expensive and costs to extract resources continue to rise, while global mineral prices fall. Companies will not continue doing business here if they cannot do so profitably.
Nonrenewable resources	Natural resources are finite. Nevada's tax policy needs to better account for this.	Technological advances allow mining companies to extract deeper ores. Mining companies already pay a tax to account for the extraction of nonrenewable resources.
Constitutional protections for the mining industry	Nevada needs flexible tax policies so that the Legislature can make changes as deemed necessary. No other major industries in Nevada are given special tax provisions and protections to this extent in the *Nevada Constitution*.	The *Nevada Constitution* is not inflexible. Mining is not receiving special treatment; mining companies pay other taxes. The Nevada Legislature has the authority to address the structure of the taxes mining companies pay.

Appendix A. Table of Other States with Severance Taxes[27]

State	Tax
Alaska	Net income of taxpayer reported to federal government and royalties from Alaska mining property at the following rates: Over $40,000 to $50,000, $1,200 plus 3% of the excess over $40,000, $50,001 to $100,000, $1,500 plus 5% of excess over $50,000; $100,001 or over, $4,000 plus 7% of excess over $100,000.
Arizona	Mining—2.5% of net severance base or, if less, of gross value of production minus production costs.
Colorado	Metallic minerals—2.25% of income over $19 million.
Florida	Solid minerals—8% of value of mineral severed. Heavy minerals—$3.20 per ton for 2011 (rate adjusted annually by the change in the producer price index).
Idaho	Mine license tax—1% of net value of royalties received or ores mined.
Kentucky	Coal severance—4.5% of gross value of coal severed and/or processed. Minimum tax, 50¢ per ton of severed coal.
Nevada	Minerals-Dependent on the ratio of the net proceeds to the gross proceeds of the operation as a whole: the rate is 2% for a net-to-gross percentage of less than 10%; 2.5% for a percentage of at least 10% but less than 18%; 3% for a percentage of at least 18% but less than 26%; 3.5% for a percentage of at least 26% but less than 34%; 4% for a percentage of at least 34% but less than 42%; 4.5% for a percentage of at least 42% but less than 50%; and 5% for a percentage of 50% or more and where annual net proceeds exceed $4 million.
New Mexico	Natural resources severance tax-Gross value less rental and royalty payments and other deductions. Tax rates are: timber and nonmetallic minerals, 0.125%; potash, 2.5%; copper, 0.5%; gold and silver, 0.2%; lead, zinc, molybdenum, manganese, thorium, rare earth and other metals, 0.125%; surface coal, 57¢ per ton plus a per-ton indexed surtax; underground coal, 55¢ per ton plus a per-ton indexed surtax; and uranium, 3.5%.
North and South Dakota	Precious metals - Precious metals—Gross yield tax—gold—$4 per ounce severed during a quarter if the average price of gold is $800 per ounce or greater; $3 if the average price is $700 per ounce or greater; $2 if the average price is $600 per ounce or greater; and $1 if the average price is $500 per ounce or greater. Net profits tax—gold and silver—10% of the net profits from the sale of gold and silver severed in the state.
Wisconsin	Current rates are: $0 to $516,700, 0%; $516,701 to $10,335,900, 3%; $10,335,901 to $20,671,800, 7%; $20,671,801 to $31,007,900, 10%; $31,007,901 to $41,344,100, 13%; $41,344,101 to $51,679,600, 14%; over $51,679,601, 15%.

Guinn Center
For Policy Priorities

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[1] Nevada Taxpayers Association. 2007-2008. Understanding Nevada's Net Proceeds of Minerals Tax. http://www.nevadataxpayers.org/pdf/minerals-tax-2007-08.pdf
[2] Question No. 2: Amendment to the Nevada Constitution Senate Joint Resolution No. 15 of the 76th Session http://nvsos.gov/Modules/ShowDocument.aspx?documentid=3403
[3] Nevada Taxpayers Association. 2007-2008. Understanding Nevada's Net Proceeds of Minerals Tax. http://www.nevadataxpayers.org/pdf/minerals-tax-2007-08.pdf
[4] Statutory provisions relating to taxes on patented mines and proceeds of minerals are found in Chapter 362 of *Nevada Revised Statutes*.
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For a complete historical overview, see Dana Bennett. Amending the Nevada Constitution Concerning Taxation of the Net Proceeds of Mines, 1981-1989. January 2013. http://www.leg.state.nv.us/Session/77th2013/Exhibits/Assembly/TAX/ATAX1056M.pdf
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