
ASSEMBLY BILL NO. 82—COMMITTEE ON TAXATION

(ON BEHALF OF THE DEPARTMENT OF TAXATION)

PREFILED NOVEMBER 17, 2016

Referred to Committee on Taxation

SUMMARY—Revises provisions governing the responsibility for reporting the amount and payment of taxes on mineral royalties to the Department of Taxation. (BDR 32-248)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; requiring the person extracting the mineral to report to the Department of Taxation the amount of royalties paid to each recipient of a royalty in the preceding calendar year; transferring the responsibility to pay the taxes due on the amount of royalties paid in the preceding calendar year to the person extracting the mineral; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires every person extracting any mineral in this State or
2 receiving any royalty from the extraction of any mineral in this State to file an
3 annual statement showing the gross yield and claimed net proceeds from each
4 geographically separate operation where a mineral is extracted in the calendar year
5 immediately preceding the year in which the statement is filed. (NRS 362.110)
6 Existing law also requires the Department of Taxation to: (1) determine the amount
7 of the net proceeds of any mineral extracted based upon that annual statement; (2)
8 prepare a certificate of the amount of the net proceeds and the tax due; and (3) send
9 a copy of the certificate to the person extracting the mineral and the recipient of the
10 royalty. (NRS 362.130)

11 **Section 1** of this bill requires the person extracting the mineral to include in the
12 annual statement showing gross yield and claimed net proceeds the amount of
13 royalties paid and the name and address of each recipient of a royalty. **Section 2**
14 of this bill requires the Department of Taxation to send its certificate of the amount
15 of net proceeds and royalties paid, and the taxes due on those amounts, to the



16 person extracting the mineral. **Section 2** also requires the person extracting the
17 mineral to pay the taxes due on the amount of net proceeds and royalties paid.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 362.110 is hereby amended to read as follows:

2 362.110 1. Every person extracting any mineral in this State :

3 ~~for receiving any royalty;~~

4 (a) Shall, on or before February 16 of each year, file with the
5 Department a statement showing ~~the gross yield and claimed net~~
6 ~~proceeds from~~ *for* each geographically separate operation where a
7 mineral is extracted by that person during the calendar year
8 immediately preceding the year in which the statement is filed ~~†~~ :

9 *(1) The gross yield and claimed net proceeds; and*

10 *(2) The name and address of and royalty paid to each*
11 *recipient of a royalty.*

12 (b) May have up to 30 days after filing the statement required by
13 paragraph (a) to file an amended statement.

14 2. The statement must:

15 (a) Show the claimed deductions from the gross yield in the
16 detail set forth in NRS 362.120. The deductions are limited to
17 the costs incurred during the calendar year immediately preceding
18 the year in which the statement is filed.

19 (b) Be in the form prescribed by the Department.

20 (c) Be verified by the manager, superintendent, secretary or
21 treasurer of the corporation, or by the owner of the operation, or, if
22 the owner is a natural person, by someone authorized in his or her
23 behalf.

24 ~~†3. Each recipient of a royalty as described in subsection 1~~
25 ~~shall annually file with the Department a list showing each of the~~
26 ~~lessees responsible for taxes due in connection with the operation or~~
27 ~~operations included in the statement filed pursuant to subsections 1~~
28 ~~and 2.†~~

29 **Sec. 2.** NRS 362.130 is hereby amended to read as follows:

30 362.130 1. When the Department determines from the annual
31 statement filed pursuant to NRS 362.110 the net proceeds of any
32 minerals extracted ~~†~~ *and the amount of royalties paid*, it shall
33 prepare its certificate of the amount of the net proceeds , ~~and†~~
34 the tax due *on the net proceeds and the tax due on the royalties*
35 *reported by the person extracting the mineral on behalf of each*
36 *recipient of a royalty* and send a copy of the certificate to the
37 ~~owner of the mine, operator of the mine or recipient of the royalty;~~
38 ~~as the case may be.†~~ *person extracting the mineral.*

39 2. The certificate must be prepared and mailed not later than:



1 (a) April 20 immediately following the month of February
2 during which the annual statement was filed; or

3 (b) April 30 immediately thereafter if an amended statement is
4 filed in a timely manner.

5 3. The tax due as indicated in the certificate must be paid *by*
6 *the person extracting the mineral* on or before May 10 of the year
7 in which the certificate is received.

8 4. If an overpayment was made, the overpayment must be
9 credited toward the payment due on May 10 of the next calendar
10 year. If the certificate shows a net loss for the year covered by the
11 certificate or an amount of tax due for that year which is less than an
12 overpayment made for the preceding year, the amount or remaining
13 amount of the overpayment must, after being credited against any
14 amount then due from the taxpayer in accordance with NRS
15 360.236, be refunded to the taxpayer within 30 days after the
16 certification was sent to the taxpayer.

17 **Sec. 3.** This act becomes effective on July 1, 2017.

