

Metalliferous Mines Tax

Revenue Description

The metalliferous mines license tax is imposed on the production of metals, gems, or stones in the state. The tax rate is applied to the gross value of the product, which is defined as the market value of the commodity multiplied by the quantity produced. The first \$250,000 of value is exempt from taxation. A company taxed at both rates can claim both exemptions.

Statutory Reference

Tax Rate – [15-37-103, MCA](#)

Tax Distribution – [15-37-117, MCA](#); [17-2-124\(2\), MCA](#)

Date Due – August 15th for the period January through June, March 31st for the period July through December ([15-37-105, MCA](#))

Applicable Tax Rates

There are two tax rates which depend on the extraction type:

- 1.60% for ore, bullion, or matte that is sent to a refinery
- 1.81% for concentrate sent to a smelter, mill, or reduction work

The appropriate tax rate is applied to the gross value less allowable deductions and the \$250,000 exemption.

Collection Frequency: Biannually

Distribution

Nearly half of metal mine tax is allocated to the general fund, with impacted counties receiving most of the remaining amount:

- 47.0% to the general fund
- 8.5% to the hard-rock mining reclamation debt service fund
- 7.0% to the natural resource operations state special revenue account
- 2.5% to the hard rock mining impact trust account
- 35.0% impacted counties

Summary of Legislative Action: The 68th Legislature did not enact legislation impacting this source.

Forecast Risks

- Commodity prices
- Changes to production outlook
- Environmental regulations

Revenue Estimate Methodology

Data

The estimate for this source is based on historical prices from the U.S. Geological Survey, historical revenue collections from SABHRS, and historical price and production data from DOR. Forecast prices are based on World Bank's Commodity Market Outlook.

Analysis

Production for each metal type is forecast as a five-year rolling average. Production multiplied by price results in the total gross value for each metal type. Total taxable value is obtained by reducing the total gross value by a time trended value of refining and other costs. The calendar year estimate is obtained by multiplying the total taxable value by the effective tax rate. Since a company's taxable value could be subject to two tax rates—1.81% for concentrates shipped to a smelter, mill, or reduction work and

Natural Resource Taxes

Metalliferous Mines Tax

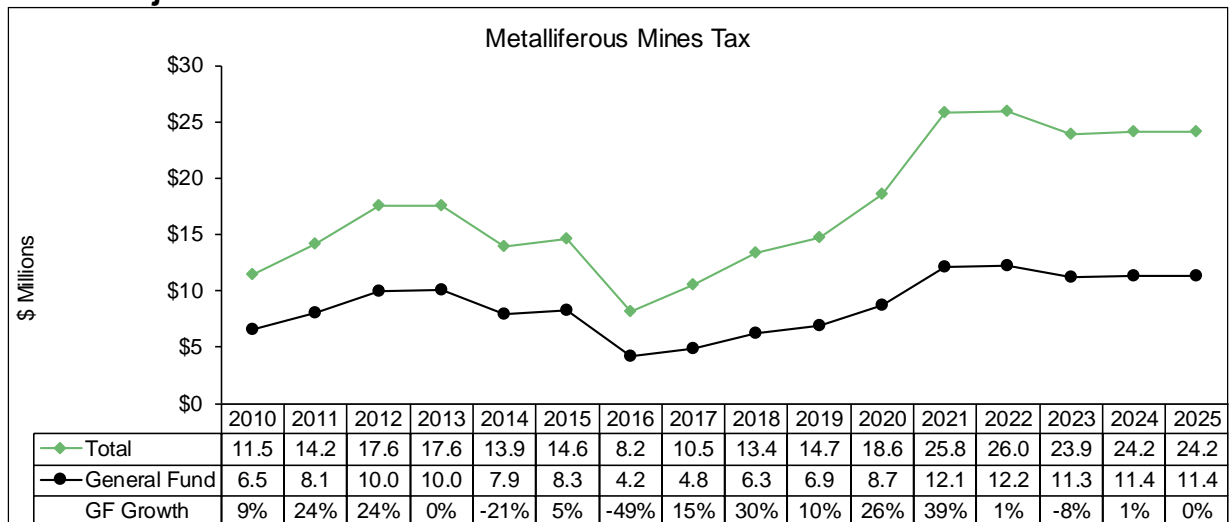
1.6% for ore, bullion, or matte that is shipped to a refinery—an effective tax rate is used to capture both these rates. Calendar year estimates are converted to fiscal year estimates by an equal allocation.

Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2023 Legislature.

FY	Total Tax \$ Millions	GF Tax \$ Millions	Net Value CY \$ Millions	Effective CY Rate
A 2012	\$17.562	\$10.010	\$1,114.512	1.8%
A 2013	17.630	10.049	871.153	1.6%
A 2014	13.943	7.948	899.995	1.9%
A 2015	14.597	8.320	660.993	1.3%
A 2016	8.164	4.221	609.557	1.5%
A 2017	10.516	4.839	755.910	1.6%
A 2018	13.386	6.291	880.629	1.5%
A 2019	14.695	6.907	1,073.070	1.5%
A 2020	18.562	8.724	1,374.152	1.8%
A 2021	25.821	12.136	1,481.300	1.8%
A 2022	25.978	12.210	1,452.570	1.6%
F 2023	23.945	11.254	1,457.522	1.6%
F 2024	24.177	11.363	1,472.430	1.6%
F 2025	24.190	11.369	1,468.409	1.6%
F 2026	24.526	11.527	1,474.068	1.6%
F 2027	24.899	11.702	1,487.249	1.6%

Revenue Projection



Revenue History

