

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 2289**

(SENATE AUTHORS: TOMASSONI and Bakk)

DATE  
03/30/2017

D-PG  
2645 Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
 1.2 relating to taxation; minerals taxes; modifying the net proceeds tax on nonferrous  
 1.3 mining; amending Minnesota Statutes 2016, section 298.015.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2016, section 298.015, is amended to read:

1.6 **298.015 NET GROSS PROCEEDS TAX ON MINING.**

1.7 Subdivision 1. **Tax imposed.** A person engaged in the business of mining shall pay to  
 1.8 the state of Minnesota for distribution as provided in section 298.018 a net gross proceeds  
 1.9 tax equal to ~~two~~ 2.75 percent of the net gross proceeds from mining in Minnesota. The tax  
 1.10 applies to all ores, metals, and minerals mined, extracted, produced, or refined within the  
 1.11 state of Minnesota except for iron ore, taconite concentrates, sand, silica sand, gravel,  
 1.12 building stone, crushed rock, limestone, granite, dimension granite, dimension stone,  
 1.13 horticultural peat, clay, and soil, ~~iron ore, and taconite concentrates.~~ The tax is in addition  
 1.14 to all other taxes provided for by law.

1.15 Subd. 2. **Net Gross proceeds.** For purposes of this section, the term "net gross proceeds"  
 1.16 means the gross proceeds from mining, as defined in section 298.016, ~~less the deductions~~  
 1.17 ~~for purposes of determining taxable income under section 298.01, subdivision 3b, applied~~  
 1.18 ~~to the mining, production, processing, beneficiation, smelting, or refining of metal or mineral~~  
 1.19 ~~products.~~ No other credits or deductions shall apply to this tax.

1.20 Subd. 3. **Deposit; distribution.** Notwithstanding section 298.16, the taxes collected  
 1.21 under this section shall be deposited in a dedicated account in the special revenue fund.

2.1 Distributions of these taxes provided in section 298.018 shall be made from that dedicated  
2.2 account.

2.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.4 31, 2016.