

8130.9600 IRON MINING INDUSTRY EXEMPTIONS.

Subpart 1. **Scope.** The industrial production exemption provided in Minnesota Statutes, section 297A.68, subdivision 2, is applicable to taconite mining and production operations and to the mining and producing of other ores as well. The exemption applies generally to electricity and all materials other than tools, machinery, and equipment which are used in the production process, and to separate detachable units meeting the criteria specified in part 8130.5500.

Subp. 2. **Production process.** In the case of mining, the production process shall be deemed to begin with the removal of overburden from the site of the ore deposit and to end when the last process prior to stockpiling is performed. If the product is not stockpiled prior to shipment, the production process shall be deemed to have ended when the last process prior to loading for shipment has been completed. Subpart 3 sets forth examples of items which are illustrative of the exemption allowable for separate detachable units.

In addition to the general industrial production exemption, Minnesota Statutes, section 297A.68, subdivision 4, provides a specific exemption for items used in the production of taconite. See subpart 4.

To further clarify and illustrate the scope of the exemption, examples of items not considered to be exempt under subparts 1 and 2 are set forth in subpart 5.

Subp. 3. **Separate detachable units.** The exemption for separate detachable units used in producing a direct effect upon the product provided in Minnesota Statutes, section 297A.68, subdivision 2. It is applicable to taconite mining and production operations and to the mining and producing of other ores as well. The following items are considered as having a direct effect upon the product and qualify for exemption where they are separate detachable units and their ordinary useful life is less than 12 months:

- A. bucket lip on front-end loader used in other than stockpile loading;
- B. chunk breaker used to break up pellets fused into chunks;
- C. crushed bowls, concaves, mantles;
- D. dipper teeth but not dipper teeth adapters;
- E. dozer blade cutting edges and end or corner bits plus blade bolts and nuts;
- F. drill bits and reamers used in drilling ore body for blasting;
- G. drop ball for breaking huge rock chunks;
- H. filter cloth or bags;
- I. grader blade cutting edges and end bits plus blade bolts and nuts;
- J. internal parts of an Erie-type cyclone;

- K. magnetic separator covers on rough cobbles;
- L. ripper teeth for ground breaking;
- M. screen cloth or mesh or panels;
- N. splitter castings and grizzly castings used in crushers, loading, and/or storage bins;
- O. stationary and movable jaws on jaw crusher; and
- P. wear shoes on spiral classifiers.

Subp. 4. **Taconite mining and production.** The exemption provided in Minnesota Statutes, section 297A.68, subdivision 4, is applicable only to companies involved in the mining and production of taconite. It exempts grinding rods, grinding balls, and mill liners used in the reduction and processing of the taconite ore.

For purposes of this exemption, the term "mill" includes all of the facilities used to reduce and process the ore. It does not include shovels or mobile equipment.

Any item which is an integral part of the plant equipment as opposed to being a liner serving to protect the equipment is not included within this exemption. Examples of items exempt as liners are:

- A. autogenous mill liners, feed and discharge liners;
- B. chute liners (this may be a bar or a plate);
- C. classifier wear plates and classifier shoes;
- D. convey or skirt board rubber liners;
- E. crusher bowl liners (concaves), mantle liners, feed and discharge liners;
- F. crusher spider caps, rims, liners, shell liners, lower hub liners, pinion shaft liners, feed opening liners, wear rings, torch rings, and other crusher-related liners;
- G. cyclone classifier wear plates;
- H. cyclone collector wear plates;
- I. dump pocket wall liners, wear bars;
- J. linatex materials used in pipes, pumps, chutes, hoppers, etc.;
- K. mill liner bolts;
- L. nordbak kits (other than that used instead of zinc for bowls and mantles);
- M. refractory brick in rotary kiln only;
- N. rod and ball mill liners, feed and discharge liners;

- O. rubber or like materials used as liners in pumps;
- P. steel wear plate or alloys used to line hoppers, bins, chutes, pockets, or launders;
- Q. urethane materials used to line filter sectors, separator covers, fan blades, vertical classifier internal surfaces, cyclone classifier and collector internal surfaces, pipe fittings, pipe liners, chutes, bins, launders, and sumps; and
- R. welding rods used to repair liners or wear plate.

Subp. 5. **Nonexempt examples.** Examples of items of tangible personal property which do not come within the exemption provided under Minnesota Statutes, section 297A.68, subdivision 2 or 4, are:

- A. all motors and engines (electrical or otherwise);
- B. burner tips;
- C. chute liners (other than in taconite operation);
- D. conveyor belts;
- E. conveyor belt wiper and idlers;
- F. drum separator lifter bar;
- G. filter arm;
- H. grate bars not used for sizing;
- I. grate side plates;
- J. kelly extension;
- K. materials and equipment including detachable tools used to maintain or repair plant or mining equipment;
- L. pan feeder plates;
- M. pump casing;
- N. pump impellers;
- O. pump side plate;
- P. replacement parts used to repair mine or plant equipment;
- Q. truck filters;
- R. V belts and sheaves;
- S. items found on mobile equipment such as:
 - (1) adapters;

- (2) cables;
- (3) drill bars;
- (4) drill cables;
- (5) idlers and sprockets;
- (6) rollers;
- (7) shovel bucket liners;
- (8) tires;
- (9) track pads; and
- (10) truck box liners;

T. items found on traveling grate such as:

- (1) chain;
- (2) grate casting;
- (3) head casting;
- (4) sprockets; and
- (5) tail casting; and

U. all refractories other than refractory brick in rotary kiln, including those used in horizontal and vertical furnaces, preheaters, and annular coolers:

- (1) coupling liners;
- (2) garbage can liners;
- (3) mobile equipment liners; and
- (4) pillow block liners.

Statutory Authority: *MS s 14.388; 270C.06; 297A.29*

History: *L 2005 c 151 art 1 s 114; 31 SR 449*

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