

**Title: Mining tax analysis by tax bracket**

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Purpose: To show how many Mining License Tax filers fall in each tax bracket and how much taxable income each group earned.

Data Source: MNT Return Info Data Cube in GenTax, variables "Net Tax Income", "Calculated Tax", "Gross Income", "Royalties Received"

Key Assumptions: Mining License Tax returns for tax years 2013 and 2014 accurately reflect taxable mining income. Tax year 2013 is represented by GenTax "filing period" between December 2013 and November 2014, because the GenTax variable represents the end of the tax year. Dates are analogous for tax year 2014.

History:

Disclaimer:

The Department of Revenue is in the process of reviewing and updating the data on which this analysis is based. As a result, future analysis could have different results.

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### Mining License Tax analysis by tax bracket

*Excludes royalty-only taxpayers, i.e., those with positive royalties received but zero gross income from mining operations*

#### Tax year 2013

<u>Bracket</u>	<u>Marginal rate</u>	<u>No. taxpayers</u>	<u>Gross income from mining operations</u>	<u>Net taxable income*</u>	<u>Net income as percentage of gross</u>	<u>Total tax liability</u>	<u>Average gross income</u>	<u>Average taxable income</u>	<u>Average tax liability</u>
Under \$0	0%	194	225,708,606	(65,853,227)	-29%	0	1,163,446	(339,450)	0
\$0 to \$40,000	0%	222	10,029,137	934,556	9%	0	45,176	4,210	0
\$40,001 to \$100,000	3% or 5%	20	3,823,854	951,405	25%	29,896	191,193	47,570	1,495
Over \$100,000	7%	15	2,194,531,323	470,191,692	21%	31,128,456	146,302,088	31,346,113	2,075,230

#### Tax year 2014

<u>Bracket</u>	<u>Marginal rate</u>	<u>No. taxpayers</u>	<u>Gross income from mining operations</u>	<u>Net taxable income*</u>	<u>Net income as percentage of gross</u>	<u>Total tax liability</u>	<u>Average gross income</u>	<u>Average taxable income</u>	<u>Average tax liability</u>
Under \$0	0%	191	181,380,675	(48,850,623)	-27%	0	949,637	(255,762)	0
\$0 to \$40,000	0%	239	9,153,739	888,451	10%	0	38,300	3,717	0
\$40,001 to \$100,000	3% or 5%	19	3,034,126	979,304	32%	32,218	159,691	51,542	1,696
Over \$100,000	7%	10	2,306,213,104	570,733,654	25%	37,822,688	230,621,310	57,073,365	3,782,269

\*Net income taxable under the Mining License Tax

Note: the 3% bracket (income \$40,000 to \$50,000) and the 5% bracket (\$50,000 to \$100,000) are combined for this analysis because of confidentiality issues that would arise if each bracket was reported separately.

Taxpayers with negative income (below \$0) are not a separate bracket, but are reported separately in order to distinguish between large money-losing operations and small operations with zero or positive income.