

# 2016 Production Tax Report

## Information and Assistance

### Website

www.revenue.state.mn.us

### Email

Mining.taxes@state.mn.us

### Phone

218-735-3150

*This material is available in alternate formats.*

## Filing Requirements

You must file a Minnesota production tax report, Form MT11, if you produce iron ore concentrate, taconite pellets, taconite chips or fines, or DRI/iron nuggets. All reports must be filed on a calendar year basis.

Form MT11 is available on our website and is in an Excel spreadsheet format that includes basic calculations. Please use the spreadsheet to ensure amounts are calculated correctly. After you've entered your information, print a copy and mail it by the due date to:

Minnesota Revenue  
Mail Station 6100  
St Paul, MN 55146-6100

## Due Dates

### Form MT11

Form MT11 must be filed annually with the Department of Revenue on or before February 1.

The U.S. postmark date, or date recorded or marked by a designated delivery service, is considered the filing date. When the due date falls on a Saturday, Sunday or legal holiday, reports postmarked on the next business day are considered on time. When a report is filed late, the date it is received at the Department of Revenue is treated as the date filed.

### Notification of Tax Due

The Department of Revenue determines how much tax is due from the information

filed on your MT11. We multiply each producer's three-year production average by the tax rate. In the case of "other iron-bearing material," the tax rate is applied against the current year's production. **The 2016 tax rate is \$2.659 per taxable ton.**

We will notify you of the total tax due by Feb. 14, 2017 and provide you with payment details for each payment due to county auditors and the Iron Range Resources and Rehabilitation Board (IRRRB).

### Payments to Counties and IRRRB

Payments to county auditors and the IRRRB are made in two installments. The first half is due on or before Feb. 24, 2017; the second half is due on or before Aug. 24, 2017. All payments must be made electronically by a funds transfer as defined in M.S. 336.4A-104.

## Distribution of Tax

The production tax is distributed to the taxing districts by the county auditors according to M.S. 298.28.

## Penalties

**Late filing.** If you do not file your MT11 production tax report on time, a penalty of 10 percent of the total tax due will be added to the tax.

**Late payment.** If you do not pay the tax due on time, a penalty of 10 percent of the unpaid amount will be added to the tax.

## Form MT11 Instructions

### Part 1

#### Flux and Moisture Corrections

You must complete Part 1 for each type of product so that all companies are reporting moisture and flux corrections consistently.

If you need more than one page to report a product type, please make a copy of the page to complete.

If you produce a product of which some is taxable and some is exempt, report the taxable and exempt amounts on separate pages for the product type. (To be exempt, the product must be sold to another producer who will upgrade the product and also pay the taconite production tax.)

If you reclassify a product as the result of a year-end adjustment (such as pellets to

chips/fines), reduce the December tonnage of the original product and use a new page for the reclassified product and show the tonnage as December tonnage.

### Part 2

#### Production, Crude Ore Mined and Shipments

Part 2 provides information on where the ore was mined so that the tax can be distributed accurately.

### Part 3

#### Stockpile and Concentrating Data

**Section A** identifies stockpiles of pellets or finished concentrate. List separately:

- Stockpiles reported as production (you do not need to enter the analysis again if it is essentially the same as what was reported in Part 2).
- Stockpiles not yet reported as production, such as bin inventory.
- Stockpiles held by common-carrier railroads in Duluth, Superior, or Two Harbors. This information is not used to compute production tax, but helps determine inventory levels and provides additional information for production forecasting.

**Section B** lists the locations of the stockpiles.

**Section C** shows how concentrating (crushing) and power generation is allocated to each taxing district. Complete this section *only* if any of the following are met:

- A product is crushed or concentrated in more than one taxing district; for example, if the primary crushing is done in one district and a secondary crushing is done in another.
- Power is generated by the company in a taxing district different from the one where the main plant is located. This also applies to tailing facilities located in different taxing districts from the plant.

### Part 4

#### Credit for Chips and Fines Sold

Part 4 identifies the tons of chips, fines and concentrate sold during the calendar year. This is used to calculate the chips/fines credit portion of the Taconite Economic Development Fund distribution from the Production Tax.