

# 2016 Gross Income

Complete this form to figure your gross income for Form M30-I, line 1. See instructions on back.

Name of Company _____	Minnesota Tax ID _____	FEIN _____
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	<b>A</b> Gross Tons Produced	<b>B</b> % Iron (Fe) Dried at 212°F <small>(carry to 2 decimal places)</small>	<b>C</b> Value Per Fe Unit <small>(carry to 3 decimal places)</small>	<b>D</b> Value Per Ton (B × C) <small>(carry to 3 decimal places)</small>	<b>E</b> Total Value (A × D) <small>(round to nearest whole dollar)</small>
Acid pellets _____	_____	_____	1.043	_____	_____
Flux pellets _____	_____	_____	_____	_____	_____
Partial flux pellets _____	_____	_____	1.058	_____	_____
Chips* _____	_____	_____	_____	_____	_____
Concentrate _____	_____	_____	_____	_____	_____
Direct Reduced Iron (DRI) _____	_____	_____	4.101	_____	_____
<b>2016 total production</b> _____					
			<b>GROSS INCOME/MINE VALUE</b> <small>(add amounts in Column E)</small>		_____
					<b>Enter on M30-I, line 1.</b>

\*Identify chips as acid, flux or partial flux.

**2016 Form M30-G Instructions**

**Value**

Gross income or “mine value” is based on the value of iron ore or taconite products. It is the starting point for determining the occupation tax. The Department of Revenue sets product values annually. The information below shows how the values are determined for the 2016 tax year.

**Acid Pellets.** The value of acid pellets is determined by applying non-equity sales and any change in the Steel Mill Products Index (SMPI) to the 2015 value of \$1.137 per Fe unit.

The 2016 acid-pellet value (per Fe unit) is **\$1.043** and is figured in the following way:

2016 non-equity sales = **.882**

2016 SMPI factor per Fe unit = **1.097**

*Calculation:*

June 2015 SMPI (final) = 176.9

June 2016 SMPI (final) = 170.7

SMPI change:  $170.7 \div 176.9 = 96.495\%$

2015 value per Fe unit = 1.137

SMPI change = 96.495%

2016 SMPI factor per Fe unit:

$1.137 \times 96.495\% = 1.097$

2016 acid-pellet value per Fe unit = **1.043**

*Calculation:*

$1.097 \times 75\% = 0.823$  per Fe unit

$0.882 \times 25\% = 0.220$  per Fe unit

Total = 1.043 per Fe unit

2016 acid pellet value (per Fe unit) = \$1.043

**Flux Pellets.** The value of flux pellets is determined by the amount of flux in the finished pellet. Use Worksheet A below to figure the value to enter in Column C, for flux pellets.

Pellets containing 2 percent flux or more are valued at \$.015 per Fe unit per each 1 percent of flux in the finished pellet. Percentages are rounded down to nearest percentage. The value of a pellet with 4.24 percent flux would be determined as follows:

$4.0 \times .015 = .06$  over acid value

Acid-pellet value per Fe unit: 1.043

Flux added value per Fe unit: .060

Flux-pellet value per Fe unit: 1.103

**Partial Flux.** Pellets with 1.99 percent or less flux are valued at \$.015 per Fe unit higher than acid pellets:

$1.043 + .015 = 1.058$  per Fe unit

**Chips and Concentrate.** A pellet chip and concentrate value is included for companies selling pellet chips or concentrate. In order to qualify for this lower value, pellet chips must be individual shipments (or stock-piles) produced in the taconite plant, of which a minimum of 85 percent are smaller than one-fourth (1/4) inch.

Concentrate sold or shipped without being processed into pellets uses the same value as chips. Chips are valued at 75 percent of the pellet value (acid or flux).

**Direct Reduced Iron (DRI).** The value of DRI is determined by applying any change in the Steel Mill Products Index (SMPI) to the 2015 value of \$4.250 per Fe unit.

2016 DRI value (per Fe unit) = **\$4.101**

*Calculation:*

June 2015 SMPI (final) = 176.9

June 2016 SMPI (final) = 170.7

SMPI change:  $170.7 \div 176.9 = 96.495\%$

2015 DRI Value = \$4.250

SMPI change = 96.495%

2016 SMPI factor per Fe unit:

$\$4.250 \times 96.495\% = \$4.101$

**Worksheet A. Figuring the Value for Flux Pellets**

<b>1</b>	Percent of flux in finished pellet (from Taconite Production Tax Report, page 1, rounded down to nearest percentage; e.g., 3.82% rounds down to 3.0%)	<b>1</b>	_____ %
<b>2</b>	Multiply line 1 by .015	<b>2</b>	_____
<b>3</b>	Acid-pellet value per Fe unit	<b>3</b>	_____ 1.043
<b>4</b>	Flux-pellet value per Fe unit (add lines 2 and 3) Enter in Column C for flux pellets.	<b>4</b>	_____