

2018 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 _____
-----------------------	------------------------	------------

	A Gross Tons Produced	B % Iron (Fe) Dried at 212°F <i>(carry to 2 decimal places)</i>	C Value Per Fe Unit <i>(carry to 3 decimal places)</i>	D Value Per Ton (B × C) <i>(carry to 3 decimal places)</i>	E Total Value (A × D) <i>(round to nearest whole dollar)</i>
Acid pellets _____	_____	_____	1.351	_____	_____
Flux pellets _____	_____	_____	_____	_____	_____
Flux pellets _____	_____	_____	_____	_____	_____
Partial flux pellets _____	_____	_____	1.366	_____	_____
Partial flux pellets _____	_____	_____	1.366	_____	_____
Chips* _____	_____	_____	_____	_____	_____
Chips* _____	_____	_____	_____	_____	_____
Concentrate _____	_____	_____	_____	_____	_____
Concentrate _____	_____	_____	_____	_____	_____
Direct Reduced Iron (DRI) _____	_____	_____	5.139	_____	_____
2018 total production _____					GROSS INCOME/MINE VALUE <i>(add amounts in Column E)</i> _____ Enter on M30-I, line 1.

*Identify chips as acid, flux or partial flux.

2018 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 2018 tax year.

Acid Pellets. The value of acid pellets was determined by the change in the SMPI between June 2017 and June 2018, and the non-equity sales per dry gross ton iron unit. The price of all non-equity pellet sales was converted to an acid sales price.

Steel Mill Products Index (SMPI)

Calculation:

June 2017 SMPI (final) = 190.9
 June 2018 SMPI (final) = 213.9
 SMPI change: $213.9 \div 190.9 = 112.048\%$

2017 Acid Pellet Value = \$1.168
 SMPI change = $\times 112.048\%$
2018 SMPI Factor = \$1.309

Non-equity Sales

Weighted average all pellet sales = \$16,400,622
 Total iron units 11,100,338
 $\$16,400,622 \div 11,100,338 = \1.477

2018 Non-equity Sales Factor = \$1.477

SMPI Factor $1.309 \times 75\% = \$0.982$
 Non-equity Sales $1.477 \times 25\% = \underline{0.369}$

2018 Acid Pellet Value per Fe Unit \$1.351

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: 1.351
Flux added value per Fe unit: .060
 Flux-pellet value per Fe unit: 1.411

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

$1.351 + .015 = 1.366$ 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 2017 value of \$4.586 per Fe unit.

Calculation:

June 2017 SMPI (final) = 190.9
 June 2018 SMPI (final) = 213.9
 SMPI change: $213.9 \div 190.9 = 112.048\%$

2017 DRI Value = \$4.586
 SMPI change = 112.048%

2018 SMPI factor per Fe unit:
 $\$4.586 \times 112.048\% = \5.139
2018 DRI value (per Fe unit) = \$5.139

Worksheet A. Figuring the Value for Flux Pellets

- 1 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%) 1 _____ %
- 2 Multiply line 1 by .015 2 _____
- 3 Acid-pellet value per Fe unit 3 1.351
- 4 Flux-pellet value per Fe unit (add lines 2 and 3) 4 _____
 Enter in Column C for flux pellets.