

MINNESOTA • REVENUE

MINING OCCUPATION TAX Minnesota Minerals 21st Century Fund

March 30, 2006

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 3737 (Rukavina) / S.F. 3456 (Bakk)

	Fund Impact			
	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
Minnesota Minerals 21 st Century Fund	\$0	\$550	\$910	\$910
General Fund	\$0	(\$550)	(\$910)	(\$910)

Effective for taxes paid in 2007 and subsequent years.

EXPLANATION OF THE BILL

Current Law: The current law apportionment of the occupation tax distributes 40% to elementary and secondary schools, 10% to the university, and 50% to the general fund. Of the 50% apportioned to the general fund, an amount equal to 1.5¢ per taxable ton produced in the preceding year is dedicated to the Iron Range Resources and Rehabilitation Board (IRRRB) for environmental or economic development loans or grants in Carlton and Koochiching Counties.

Proposed Law: The proposal would annually appropriate the remaining occupation tax in the general fund (after the 1.5¢ per taxable ton dedication to the IRRRB) to the Minnesota Minerals 21st Century Fund.

REVENUE ANALYSIS DETAIL

- The estimates are based on the February 2006 Forecast and information provided by the Department of Revenue Minerals Office.
- The occupation tax is due on May 1st. It is assumed that the appropriation would be made in the same fiscal year as the payment of tax.

Number of Taxpayers: None.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy

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