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Overview

This bill allows a nonrefundable credit against the taconite occupation tax equal to the production tax the company paid up to 15 cents per ton (based on its actual production, not taxable tonnage). If the credit exceeds the occupation tax liability, a 15-year carryover is allowed. A hold-harmless provision prevents the credit from reducing three statutory, general fund appropriations that are tied to occupation tax revenues.

Section

- 1 **Conforming change.** Provides occupation liability is reduced by the credit in section 2.
Effective date: tax year 2018
- 2 **Occupation tax credit allowed.** Allows a credit against taconite occupation tax for the amount of production tax paid. This credit cannot exceed an amount equal to 15 cents multiplied by the tonnage produced by the company. (The production tax rate for 2017 was \$2.701 per taxable ton, an amount based on a 3-year of the tonnage produced by the mine. This tax rate is indexed for inflation and so increases each year.) The credit is limited to the liability for tax; if it exceeds that amount, the excess may be carried over and used to reduce occupation tax liability for up to 15 years.
Effective date: tax year 2018
- 3 **Apportionment of occupation tax revenues.** Provides that allowance of section 2's tax credit does not affect the allocation of general fund revenues for three statutory appropriations that are tied to occupation tax revenues:

Section

- 2.5 cents per ton for the mining and regulatory account (used to fund staff work on environmental and regulatory services related to mining)
- 1.5 cents per ton for the Iron Range resources and rehabilitation account
- 6 cents per ton for the Iron Range school consolidation and cooperatively operated school account

Effective date: day following final enactment