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**Subject:** Tax on nonferrous mining

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This bill converts the net proceeds tax on nonferrous mining to a gross proceeds tax and increases the tax rate from two percent to 2.75 percent. The conversion from a tax on net to one on gross eliminates the deductions under present law for the expenses of converting raw ores to marketable ores.

Under the bill, revenues from the tax would be deposited in the special revenue fund for distribution to municipalities in taconite tax relief area and to the Iron Range Resources and Rehabilitation funds. Under present law, amounts are credited to the general fund. (Section 2 of the author's amendment eliminates that direction to deposit the tax in the state general fund.)

Effective date: tax year 2017