

**ADOPTED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R161-05

Effective February 23, 2006

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §§1-15, 19 and 20, NRS 360.090 and 362.120; §§16-18, NRS 360.090 and 362.110; §21, NRS 360.090 and 360.230; §22, NRS 360.090.

A REGULATION relating to taxation; establishing certain deductions for the costs of reclamation from taxes on the net proceeds of any minerals extracted in this State; providing certain requirements concerning the filing and receipt of annual statements of net proceeds of extracted minerals; and providing other matters properly relating thereto.

Section 1. Chapter 362 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 18, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 15, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 11, inclusive, of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Closure of a mine” means the time at which:*

- 1. The revegetation, treatment and rehabilitation of the site of the mine have been completed;*
- 2. Any excess chemical solutions have been eliminated from the site of the mine, to the extent practicable;*
- 3. The maximum degree of passive management has been implemented at the site of the mine in which a method of treatment is applied through the use of any naturally occurring*

chemical or biological processes to remove any metals or acidity from any waters of the mine which have been contaminated to cleanse the waters from such contamination; and

4. A monitoring program has been implemented to monitor the site of the mine after the production of the mine has been completed.

Sec. 4. *“Commission” means the Nevada Tax Commission.*

Sec. 5. *“Developmental work” means any activity performed on the property of a mine which outlines the location of the ore of the mine and prepares the ore for production, including, without limitation, drilling, rock work and construction of support systems to increase the ore reserves of the mine.*

Sec. 6. *“Qualified reclamation costs” means an amount equal to 90 percent of the reclamation costs.*

Sec. 7. *“Reclamation” means actions performed during or after a mining operation or developmental work which are consistent with the provisions of NRS concerning mines and minerals, and any regulations adopted pursuant thereto, and which are identified in a reclamation plan to shape, stabilize, revegetate or otherwise treat the land in order to return it to a safe, stable condition consistent with the establishment of a productive postmining use of the land and the abandonment of a facility in a manner which ensures the public safety, as well as the encouragement of techniques which minimize the adverse visual effects. The term does not include any action performed after the closure of a mine.*

Sec. 8. *“Reclamation costs” means the costs of performing reclamation over the life of the mine which are set forth in the reclamation plan. The term excludes costs for the following:*

1. Any costs of administration that may be required by a state or federal agency which regulates the reclamation of the mine, including, without limitation, costs related to:

- (a) Plans for engineering, design or construction;*
- (b) Contingency allowances;*
- (c) Profits of contractors;*
- (d) Liability insurance;*
- (e) Payment and performance of bonds; and*
- (f) Any other direct or indirect costs for the administration of contracts with the state or federal agency.*

2. Any costs that may be required after the closure of the mine, including, without limitation, costs that may be required to:

- (a) Maintain, monitor or evaluate the site of the mine;*
- (b) Monitor the quality of surface water and groundwater and the impacts of the mine on the environment which receives surface water or groundwater;*
- (c) Stabilize and control the erosion of structures that will remain on the site; and*
- (d) Maintain land use and aesthetics of the site.*

3. Any costs that may be necessary to ameliorate any social and economic impacts which result from a decline in the economic potential of an area affected by the mine or the burden on future generations to maintain the site of the mine.

Sec. 9. *“Reclamation plan” means a plan for reclamation, and any amendments or modifications thereto, which is approved by:*

1. The Division of Environmental Protection of the State Department of Conservation and Natural Resources pursuant to chapter 519A of NRS for a mining operation or developmental work which is conducted on land administered by this State;

2. The Bureau of Land Management of the Department of the Interior pursuant to 43 C.F.R. Part 3800 for a mining operation or developmental work which is conducted on land administered by a federal agency; or

3. Any other state or federal agency pursuant to any state or federal law which:

(a) Imposes a duty to reclaim the land disturbed by a mining operation or developmental work; or

(b) Requires a permit to engage in a mining operation or developmental work which is substantially similar to the requirements for a permit set forth in chapter 519A of NRS and any regulations adopted pursuant thereto.

Sec. 10. *“Reporting period” means the calendar year for which the statement required by NRS 362.110 is filed.*

Sec. 11. *“Taxpayer” means a person who is required by the Department to pay a tax on the net proceeds of any mineral extracted in this State pursuant to chapter 362 of NRS.*

Sec. 12. *For the purposes of paragraph (a) of subsection 3 of NRS 362.120, the Commission interprets deductions from net proceeds of extracted minerals for the “actual cost of extracting the mineral” by a taxpayer to include:*

1. If the taxpayer reports deductions according to an accrual method of accounting, a deduction for qualified reclamation costs which are incurred during the reporting period and which must be calculated pursuant to subsection 1 of section 13 of this regulation.

2. *If the taxpayer reports deductions according to a cash method of accounting, a deduction for any money paid during the reporting period for reclamation performed by the taxpayer.*

Sec. 13. 1. *A taxpayer who reports a deduction pursuant to subsection 1 of section 12 of this regulation according to an accrual method of accounting may claim a deduction for qualified reclamation costs which are incurred during the reporting period in an amount equal to the amount calculated by:*

(a) If the taxpayer has not performed concurrent reclamation during the reporting period:

(1) Dividing the number of units of production from the mine which were sold during the reporting period by the total number of units of production which are determined by the operator of the mine at the beginning of the reporting period to be available to be recovered for the reporting period;

(2) Subtracting the cumulative amount of any deductions for reclamation performed by the taxpayer in the previous reporting periods from the qualified reclamation costs; and

(3) Multiplying the amount calculated pursuant to subparagraph (1) by the amount calculated pursuant to subparagraph (2).

(b) If the taxpayer has performed concurrent reclamation during the reporting period:

(1) Dividing the number of units of production from the mine which were sold during the reporting period by the total number of units of production which are determined by the operator of the mine at the beginning of the reporting period to be available to be recovered for the reporting period;

(2) Subtracting the cumulative amount of any money paid for concurrent reclamation during the previous reporting periods from the qualified reclamation costs;

(3) Subtracting the cumulative amount of any deductions for reclamation performed by the taxpayer in the previous reporting periods, minus the cumulative amount of any money paid for concurrent reclamation during the previous reporting periods, from the amount calculated pursuant to subparagraph (2);

(4) Multiplying the amount calculated pursuant to subparagraph (1) by the amount calculated pursuant to subparagraph (3); and

(5) Subtracting the amount of any money paid for concurrent reclamation during the current reporting period from the amount calculated pursuant to subparagraph (3).

2. A taxpayer who reports a deduction pursuant to subsection 2 of section 12 of this regulation according to a cash method of accounting may claim a deduction for any money paid during the reporting period for reclamation performed by the taxpayer.

3. As used in this section, “concurrent reclamation” means reclamation that is performed by the taxpayer during the reporting period for which the taxpayer is calculating his deduction according to an accrual method of accounting for qualified reclamation costs which are incurred during the reporting period.

Sec. 14. *1. A taxpayer who has reported deductions for reclamation costs or qualified reclamation costs according to an accrual method of accounting in a reporting period may not change his method of accounting to a cash method of accounting in a subsequent reporting period.*

2. Except as otherwise provided in this subsection, a taxpayer who has reported deductions for reclamation costs or qualified reclamation costs according to a cash method of accounting in a reporting period may not change his method of accounting to an accrual method of accounting in a subsequent reporting period unless the Department, upon written

application of the taxpayer, approves a change in the method of accounting. If the taxpayer demonstrates to the Department that a proposed change in the method of accounting will not result in the double counting of any deductions for reclamation costs or qualified reclamation costs for that reporting period, the Department may approve the change in the method of accounting.

Sec. 15. *Except as otherwise provided in this section, if a taxpayer sells the assets of a mine before closure of the mine, the buyer must report any deductions for reclamation costs or qualified reclamation costs according to the same method of accounting used by the seller, unless the Department, upon written application of the taxpayer, approves a change in the method of accounting. If the buyer demonstrates to the Department that a proposed change in the method of accounting will not result in a deduction for qualified reclamation costs or reclamation costs which have been previously deducted by the seller, the Department may approve the change in the method of accounting.*

Sec. 16. *1. An annual statement which is required to be filed pursuant to NRS 362.110 and which is transmitted through the United States mail shall be deemed to have been received on the date shown by the post office cancellation mark stamped on the envelope containing it, or on the date it was mailed if proof satisfactory to the Commission establishes that the document or remittance was timely deposited in the United States mail, postage prepaid, and properly addressed to the Commission.*

2. A receipt for material sent by certified or registered mail, if different than the post office cancellation mark, will prevail if the date on the receipt is earlier than the cancellation date.

3. *A record authenticated by the post office that the cancellation date on certain batches of mail was erroneous is proof satisfactory to the Commission that the mailing was made on a date other than the post office cancellation date.*

4. *If it is known that the postal service was inoperative at a certain time due to strikes, riots, warfare, acts of God or other reasons, the Commission will consider the circumstances and, if there is other evidence of timely mailing, will accept the evidence and deem the return or payment timely.*

5. *Under no circumstances will:*

(a) The cancellation date affixed by a postage meter in the possession of the taxpayer or other person; or

(b) Statements by the taxpayer or his employees,

↪ be considered sufficient to refute the post office cancellation date as the date of mailing.

Sec. 17. *If a taxpayer submits an annual statement which is required to be filed pursuant to NRS 362.110 and which does not include all applicable information, documentation, reports and statements, the Department may require the taxpayer to resubmit the annual statement with all applicable information, documentation, reports and statements within 10 days after receiving notice from the Department. If all applicable information, documentation, reports and statements are not included with the statement upon the resubmission of the statement, the Department may consider the taxpayer to have failed to file the statement.*

Sec. 18. *If the Department does not receive an annual statement which is required to be filed pursuant to NRS 362.110 and alleges that the taxpayer has not filed the statement, the taxpayer may submit documentation which establishes that the statement was properly filed. If the Department subsequently determines the annual statement was filed properly, the*

Department shall waive the penalty for the failure to file a statement which is imposed pursuant to NAC 362.085.

Sec. 19. NAC 362.040 is hereby amended to read as follows:

362.040 1. Except as otherwise provided by NAC 362.100 to 362.160, inclusive, leasehold improvements and buildings must be depreciated over a 20-year period using the straight-line method.

2. Except as otherwise provided by NAC 362.100 to 362.160, inclusive, fixed machinery and equipment must be depreciated over a 20-year period using the straight-line method.

3. Mobile machinery and equipment must be depreciated over a 10-year period using the straight-line method.

4. Automobiles and light service vehicles must be depreciated over a 5-year period using the straight-line method.

5. Except as otherwise provided by NAC 362.100 to 362.160, inclusive, an integrated processing assembly must be depreciated over a 20-year period using the straight-line method. Subsequent additions to the unit must also be reported and be depreciated over a 20-year period using the straight-line method.

6. ~~[Depreciation of assets on hand as of January 1, 1980, must be calculated at the rate of 2.1 percent per year for the years ending before January 1, 1975, plus the depreciation allowance granted by the Department for the period between January 1, 1975, and January 1, 1980. The total depreciation thus calculated must be deducted from the acquisition cost and is the basis for continuing depreciation according to the classification of the asset.~~

~~—7.]~~ If any property is disposed of before the end of the depreciation period, the remaining amount of allowable depreciation, if the property had remained in use, may be reported in total

as an additional expense of depreciation for the reporting period. The amount of depreciation must be reduced by the amount of any consideration received for the property from sale, insurance recovery, trade-in ~~§~~ or any other reimbursement, but not below zero.

~~§~~ 7. A mining operator may petition the Nevada Tax Commission for reconsideration of the allowable depreciation of property. The Commission may adjust the allowable depreciation if the petitioner presents satisfactory evidence that the expected life of the property is longer than that which is provided for in this section. If the Commission finds that the petitioner has presented satisfactory evidence that the expected life of the property is shorter than that which is provided for in this section, the petitioner must comply with the provisions of NAC 362.100 to 362.160, inclusive, to apply for permission to depreciate the property in the accelerated manner prescribed by NAC 362.140.

Sec. 20. NAC 362.050 is hereby amended to read as follows:

362.050 1. In computing the costs enumerated in subsection 3 of NRS 362.120, the following specific items are deductible except as limited by subsection 6 of NRS 362.120:

(a) The cost of renting equipment , if the amount paid as rental is commercially reasonable in the circumstances;

(b) The cost of contracting for all or part of the mine's operations, if the contract price is commercially reasonable in the circumstances;

(c) The cost of services which a Nevada mine receives under contract from its corporate office or the office of a related corporation, if:

(1) The cost is commercially reasonable in the circumstances; and

(2) The cost is separately stated in a manner consistent with good accounting practices;

(d) The reasonable cost of management provided to a joint venture by a member, if the fees relate directly to operation of the mine;

(e) The sales and use taxes expended for tangible goods or taxable services to the extent that the cost of such goods or services is an allowable operating cost;

(f) The direct cost of housing for employees that is owned and maintained by the operator of the mine, including, without limitation, any losses to the housing that are incurred by the operator of the mine, but as reduced by any payments received for rental of the property; ~~and~~

(g) *If the taxpayer has a policy which prohibits the personal use of a vehicle by an employee, the cost of vehicle allowances to the extent that the vehicle is actively engaged in the business of the mine;*

(h) *The cost of transportation services provided by a third party or the owner of the mine for employees to get to and from a point of extraction or reduction of the mine; and*

(i) The cost of compensation for employees. As used in this paragraph, “compensation” means wages, salaries, paid vacation leave, paid sick leave, performance-related bonuses, contributions to and administrative costs of qualified pension and retirement plans, 401k and similar deferred benefit plans, dental insurance, medical insurance, accidental death and dismemberment insurance, Medicare contributions, social security payments, medical clinic and hospital expenses, state and federal unemployment compensation contributions or payments, workers’ compensation insurance, and postemployment training expenses for training conducted in compliance with the Mine Safety and Health Administration and the Division of Industrial Relations of the Department of Business and Industry or their successor organizations.

2. In computing the costs enumerated in subsection 3 of NRS 362.120, the following specific items are not deductible:

- (a) Cost or expenses which are capitalized;
- (b) Gifts, grants and donations;
- (c) Costs of public relations and influencing or seeking to influence governmental activities;
- (d) Costs of exploration and development related to ore bodies outside the geographic area which can economically provide a source of raw materials to the plant located at the mine;
- (e) Federal income taxes, all property taxes, the business license tax imposed pursuant to chapter 364A of NRS, the tax on net proceeds of minerals, and , *except as otherwise provided in paragraph (e) of subsection 1*, any other tax that an operator of a mine is required to pay to the Federal Government, this State or any other state, or a political subdivision thereof;
- (f) Costs associated with providing health clubs for employees;
- (g) Except as otherwise provided in paragraph (f) of subsection 1 of this section and paragraph (a) of subsection 2 of NAC 362.030, costs incurred for preemployment activities, including, without limitation, reimbursement for expenses for housing, moving and relocation;
- (h) Except as otherwise provided in paragraph ~~(g)~~ (i) of subsection 1, costs associated with union trust funds;
- (i) Costs associated with providing day care facilities for the children of employees;
- (j) General liability insurance; and
- (k) Excess policies of general liability insurance.

3. If a cost is partially deductible and partially nondeductible, the deductible portion must be allowed. In determining the portion of such costs which is allowable as a deduction, a reasonable allocation must be made based upon available information.

Sec. 21. NAC 362.085 is hereby amended to read as follows:

362.085 ~~{The}~~ *If a taxpayer fails to file the statement required by NRS 362.110, the*

Department shall impose a penalty pursuant to NRS 362.230 in the following amounts:

1. ~~{Net}~~ *For net* proceeds or royalties not exceeding \$5,000, the penalty is *10 percent of the net proceeds or royalties or \$100 ~~{}~~, whichever is less.*
2. ~~{Net}~~ *For net* proceeds or royalties *greater than \$5,000 but* not exceeding \$10,000, the penalty is \$500.
3. ~~{Net}~~ *For net* proceeds or royalties *greater than \$10,000 but* not exceeding \$50,000, the penalty is \$1,000.
4. ~~{Net}~~ *For net* proceeds or royalties *greater than \$50,000 but* not exceeding \$100,000, the penalty is \$2,500.
5. ~~{Net}~~ *For net* proceeds or royalties of more than \$100,000, the penalty is \$5,000.

Sec. 22. NAC 362.080 is hereby repealed.

TEXT OF REPEALED SECTION

362.080 Waiver or reduction of penalty or interest of tax on net proceeds of minerals.

1. The Nevada Tax Commission may waive or reduce the penalty or interest imposed on a delinquent payment of the tax on the net proceeds of minerals which was imposed pursuant to NRS 362.160 if it finds that the proximate cause of the delinquent payment was:

(a) Circumstances completely beyond the control of the taxpayer who was required to make the payment, or the agent of the taxpayer;

(b) Justifiable neglect or justifiable inadvertence, and that the taxpayer making the payment has no history of habitually delinquent payments; or

(c) Other good cause shown.

2. Any application for the waiver or reduction of the penalty or interest on a delinquent payment of the tax on the net proceeds of minerals must be filed in writing with the Commission within 30 days after the tax became due. The application must include a statement of the circumstances which caused the delinquent payment.

3. In determining whether the circumstances which caused the delinquent payment in any particular case were completely beyond the control of the taxpayer required to make the payment, the Commission will consider only evidence which shows that the delinquent payment was proximately caused by fire, earthquake, flood or other act of God, theft or a similar cause not directly related to the actions of the taxpayer who was required to make the payment, whether intentional or not.

4. If the Commission finds that a delinquent payment was caused by circumstances completely beyond the control of the taxpayer required to make the payment, or the agent of the taxpayer, and that the tax was paid as soon as reasonably possible thereafter, the penalty and interest imposed for the delinquent payment will be waived.

5. If the Commission finds that the cause of the delinquent payment of taxes was justifiable neglect or justifiable inadvertence, that the taxpayer making the delinquent payment has not made more than one other delinquent payment in the immediately preceding 24 months, and that the payment was made as soon as reasonably possible thereafter:

(a) The penalty for the delinquent payment will:

- (1) Be reduced to 2 percent if the payment is not more than 2 days late;
- (2) Be reduced to 4 percent if the payment is more than 2 but not more than 5 days late;
- (3) Be reduced to 6 percent if the payment is more than 5 but not more than 10 days late;
- (4) Be reduced to 8 percent if the payment is more than 10 but not more than 15 days late;

or

- (5) Not be reduced if the payment is more than 15 days late.

(b) The interest on the delinquent payment will be reduced by an amount equal to the rate of reduction of the penalty applied by the Commission pursuant to paragraph (a).

(c) The penalty and interest will be waived if the total penalty and interest after reduction pursuant to this subsection is \$5 or less.

6. In determining whether the proximate cause of the delinquent payment was for other good cause shown, the Commission will require the taxpayer to submit, without limitation, evidence that:

- (a) The assessment of penalties and interest constitutes an extreme financial hardship;
- (b) The assessment of interest and penalties is equal to or greater than two-thirds of the amount of the tax which is due; or
- (c) The assessment of penalties and interest is extremely unfair or extremely inequitable under the circumstances.

7. The Department shall provide the Commission with its recommendation concerning the waiver or reduction of penalties and interest after a review of all of the evidence that has been received from the taxpayer.

8. As used in this section, “extreme financial hardship” means that the taxpayer who owes the tax has the present ability to pay the tax but payment of the penalties and interest will render the taxpayer insolvent.

NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R161-05

The Nevada Tax Commission adopted regulations assigned LCB File No. R161-05 which pertain to chapter 362 of the Nevada Administrative Code on December 9, 2005.

Notice date: 11/8/2005
Hearing date: 12/9/2005

Date of adoption by agency: 12/9/2005
Filing date: 2/23/2006

INFORMATIONAL STATEMENT

The following statement is submitted for amendments, additions and deletions, to Nevada Administrative Code (NAC) Chapter 361 adopted by the Nevada Tax Commission, including the ten-year review of NAC Chapter 362, NAC 362.005 through 362.410.

- 1. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.**

The Department of Taxation, as staff to the Nevada Tax Commission, solicited comment from the public by sending notice of workshops and hearings by electronic or regular mail as follows:

<u>Date of Notice</u>	<u>Workshop/ Hearing</u>	<u>Date of Workshop</u>	<u>Number Notified</u>	<u>Representing Businesses</u>
October 27, 2004	Workshop	November 12, 2004	262	205
November 23, 2004	Workshop	December 21, 2004	262	205
January 13, 2005	Workshop	January 31, 2005	262	205
February 15, 2005	Workshop	March 4, 2005	262	205
April 6, 2005	Workshop	April 22, 2005	262	205
September 15, 2005	Workshop	September 30, 2005	262	205
November 8, 2005	Hearing	December 9, 2005		

The mailing list included the interested parties list maintained by the Department, as well as officials of local jurisdictions subject to these regulations.

Many oral and written comments were received at the workshops and hearing. A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2100 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at **lheyman@tax.state.nv.us** .

The proposed permanent regulation was submitted to the Legislative Counsel Bureau on October 3, 2005. The Legislative Counsel Bureau completed its review and revisions on

November 18, 2005. The Tax Commission further amended the regulation at the hearing on December 9, 2005.

2. The number persons who:

(a) Attended and testified at each workshop:

<u>Date of Workshop</u>	<u>Attended</u>	<u>Testified</u>
November 12, 2004	29	12
December 21, 2004	26	17
January 31, 2005	30	12
March 4, 2005	24	11
April 22, 2005	29	13
September 30, 2005	21	11

(b) Attended and testified at each hearing:

<u>Date of Hearing</u>	<u>Commission/ Public Attended</u>	<u>Public Testified</u>
December 9, 2005	8 /	12

(c) Submitted to the agency written comments:

<u>Date of Workshop / Hearing</u>	<u>Number Received</u>
November 12, 2004	0
December 21, 2004	0
January 31, 2005	5
March 4, 2005	3
April 22, 2005	1
September 30, 2005	1

10 documents of proposed language changes were submitted to the Department of Taxation.

3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited from affected and interested businesses and persons, by notices posted at the Nevada State Library; various Department of Taxation locations throughout the state; and at the Main Public Libraries in counties where an office of the Department of Taxation is not located. Comments were also solicited by direct mail to assessors and the interested parties list maintained by the Department. Approximately 78% of the

approximately 262 direct mail notices were sent to individuals or associations representing business.

Members of the Nevada Tax Commission, officials of the Nevada Department of Taxation, the Nevada Taxpayers Association, the Nevada Mining Association, local government officials, and members of the general public commented on some or all of the proposed language changes during the workshop process and during the Adoption Hearing.

A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2100 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at lheyman@tax.state.nv.us.

4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The permanent regulation was adopted with changes reflecting the verbal and written comments submitted to, or received by, the Department of Taxation primarily from the Nevada Mining Association during the workshops listed above. The Nevada Tax Commission adopted the permanent regulation as revised in workshops and at the adoption hearing; and believed no changes other than those made were necessary.

5. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include:

- (a) Both adverse and beneficial effects; and**
- (b) Both immediate and long-term effects.**

The Commission has found that the regulation does not impose a direct and significant burden upon businesses and the public in Nevada. The permanent regulation provides the valuation and assessment administration procedures for certain deductions, particularly accrued reclamation and vehicle costs. The regulations present no reasonably foreseeable or anticipated immediate or long-term negative economic effects to businesses or to the general public, although testimony from local governments was taken that there may be a negative effect on the revenue to local governments. The immediate and long-term effects of the regulation is to provide a standardized method by which accrued reclamation costs may be deducted for a more efficient and equitable system of appraisal for net proceeds of minerals tax purposes.

6. The estimated cost to the agency for enforcement of the adopted regulation.

The Department anticipates little, if any, additional cost to administer the regulations.

- 7. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

There are not other state or government agency regulations that the proposed amendments duplicate.

- 8. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

The Commission is not aware of any provision in this regulation which is also governed by federal regulation.

- 9. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

The Nevada Tax Commission is not aware of any provision in this regulation that provides for a new fee, or increases an existing fee.