

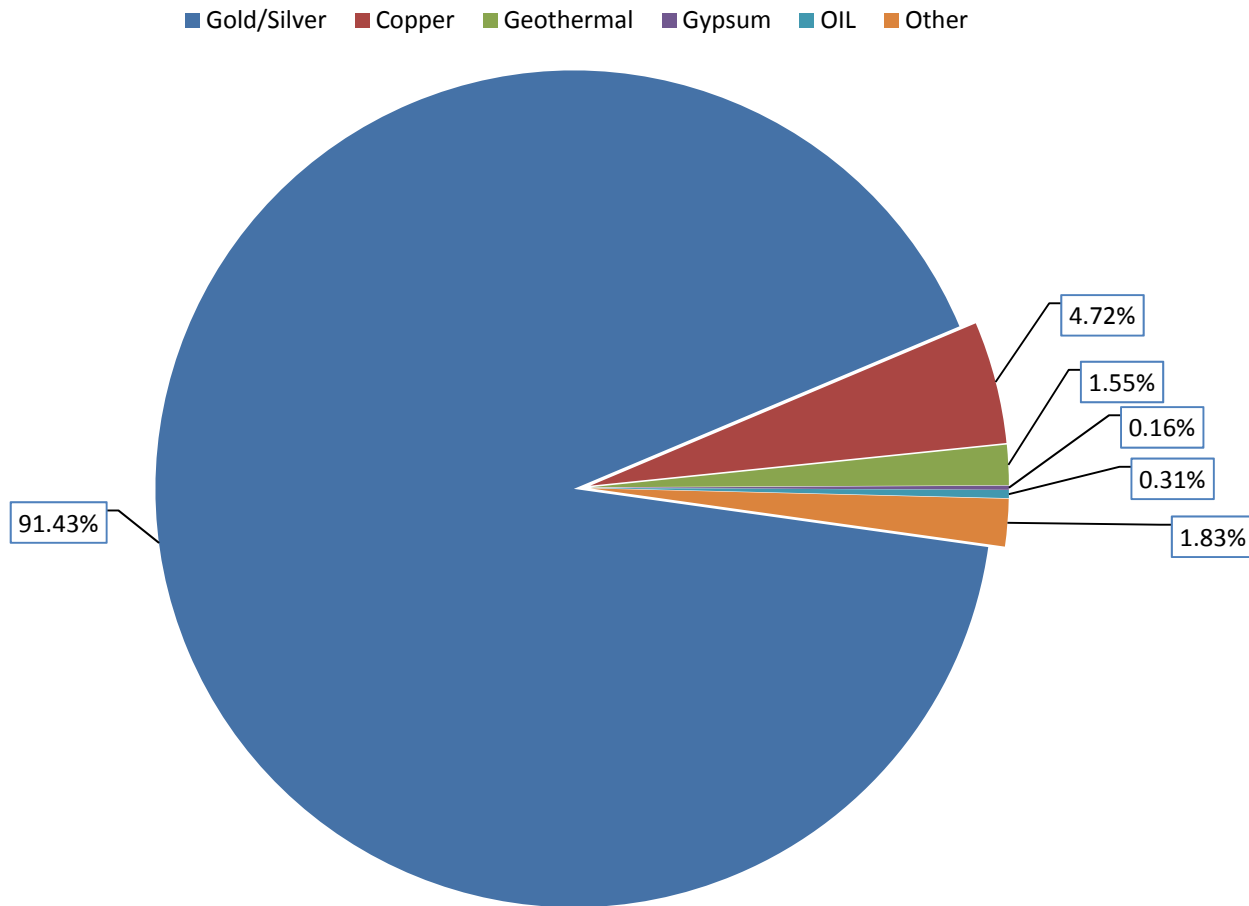
Net Proceeds of Minerals Tax: General Overview

Prepared for Economic Forum by:
Nevada Department of Taxation
June 3, 2014

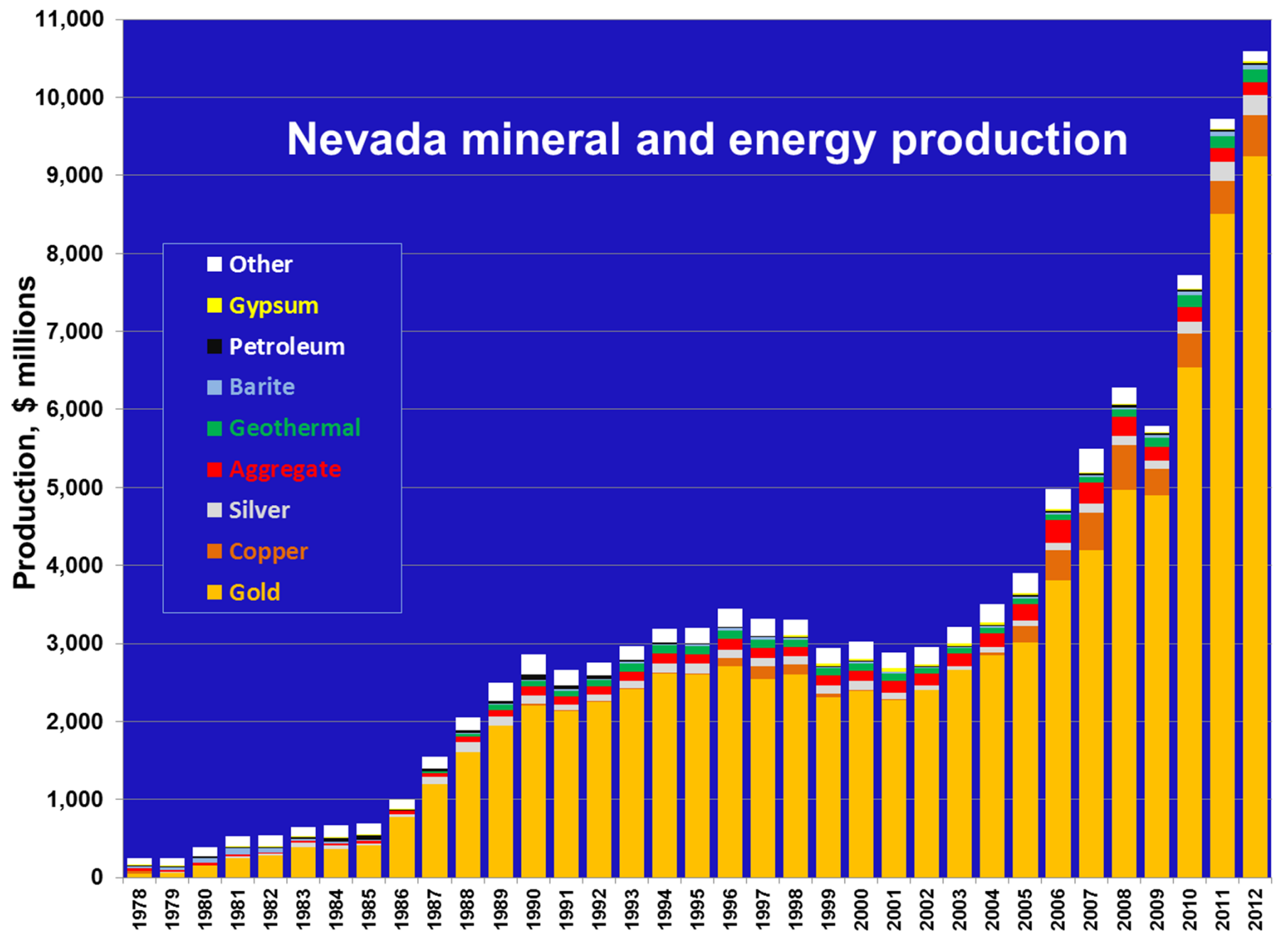
Forecasting Net Proceeds

- Price
- Production
- Net to Gross Ratio

2012 Actual Gross Proceeds

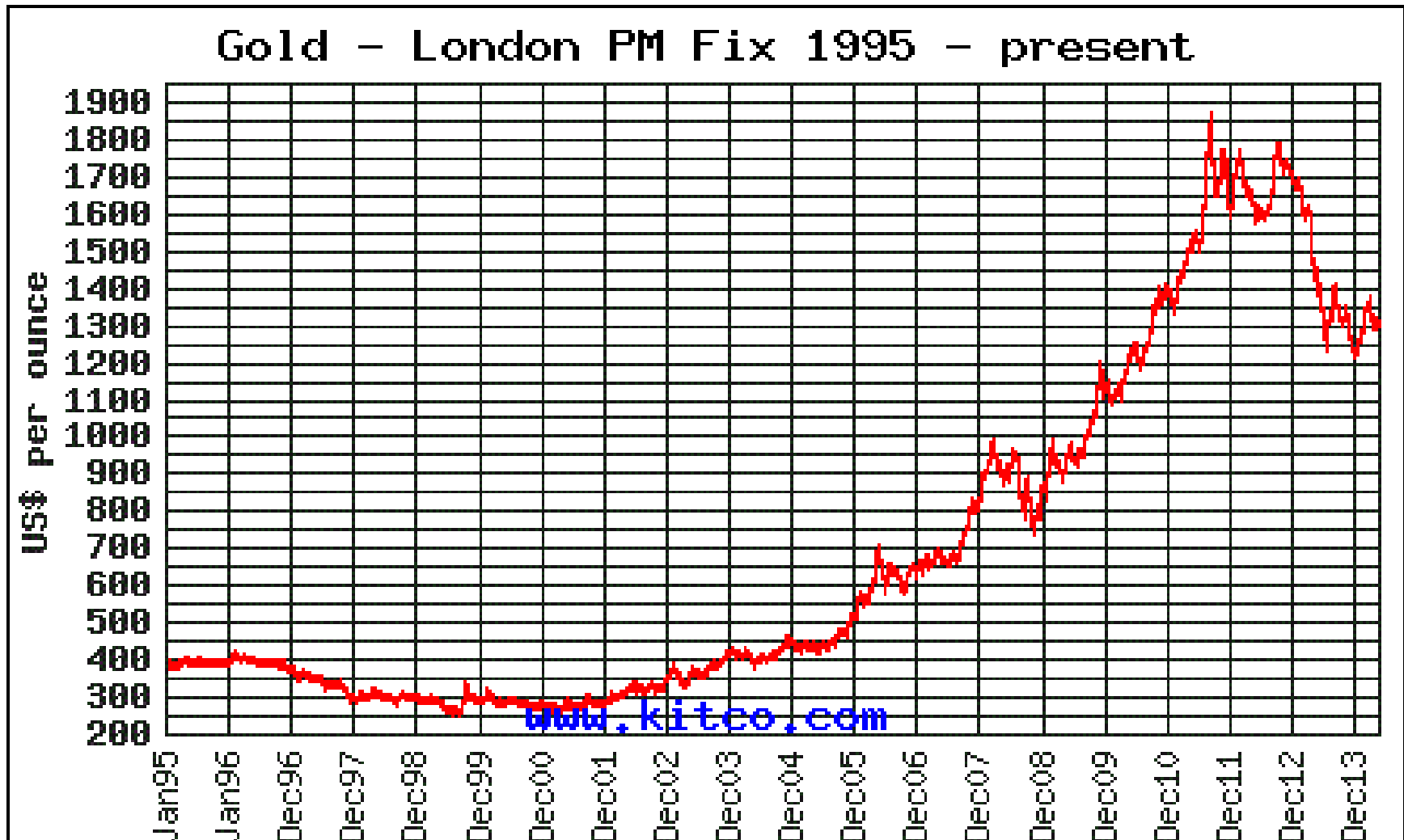


Other represents the following minerals					
BARITE	DIATOMACEOUS EARTH (D.E.)	LIMESTONE	PERLITE	SILICA	
BASALT	DOLOMITE	LITHIUM	POZZOLAN	TRACE MINERALS	
BENTONITE	FLOUSPAR	MAGNESITE	RHYOLITE	TURQUOISE	
CLAY	IRON	OPALS	SALT		



Source: Division of Minerals

1995-2013 Gold Price



Gold Price: May 2009 to May 2014



2012 Gross Yield by Product Type

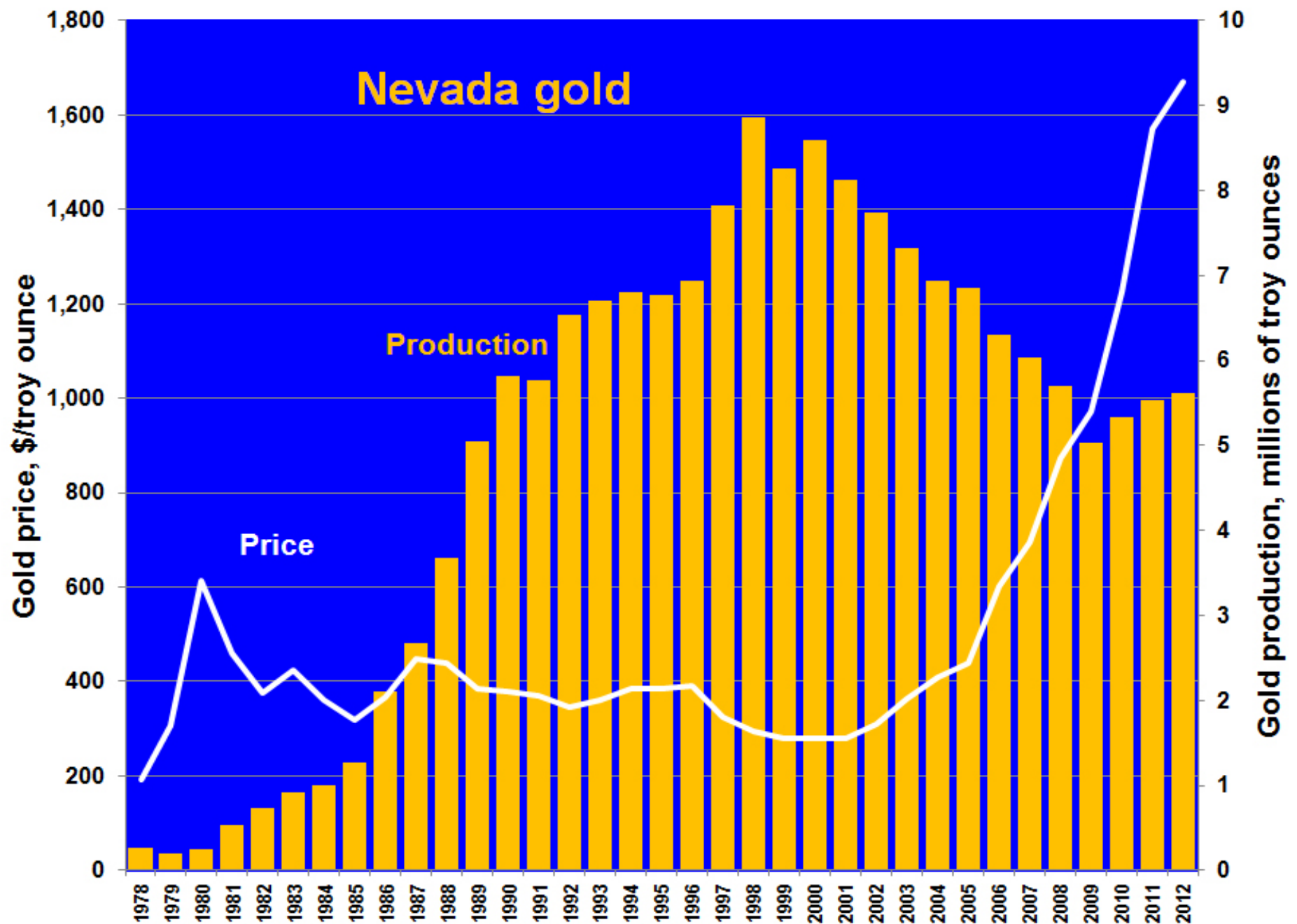
Fiscal_Year	Form_Section	Product_Type	Quantity	Unit_of_Measure	Amount	Price_Per_UOM
2012-13	1		0.00		1.00	0.0000
2012-13	1	Barite	681,775.00	Ton	71,420,626.00	104.7569
2012-13	1	Bentonite	1,082.84	Ton	268,555.17	248.0100
2012-13	1	Clay	37,340.00	Ton	5,139,249.69	137.6339
2012-13	1	Copper	145,318,737.00	Pound	527,977,621.00	3.6332
2012-13	1	Diatomaceous Earth	248,665.00	Ton	39,225,297.72	157.7435
2012-13	1	Dolomite	47,423.80	Ton	4,273,810.59	90.1195
2012-13	1	Geothermal	2,453,603,217.96	Kilowatt	162,466,514.47	0.0662
2012-13	1	Gold	5,559,178.72	Ounce	9,246,138,994.05	1,663.2203
2012-13	1	Gypsum	1,177,737.00	Ton	17,068,153.00	14.4923
2012-13	1	Iron Ore	32,781.00	Ton	778,924.00	23.7614
2012-13	1	Limestone	3,733,071.00	Ton	33,654,484.39	9.0152
2012-13	1	Limestone Fines	215,821.00	Ton	895,174.00	4.1478
2012-13	1	Lithium	6,392,790.00	Ton	18,369,781.00	2.8735
2012-13	1	Magnesite	203,342.00	Ton	5,809,698.00	28.5711
2012-13	1	Mercury	14,029.00	Other	11,552.00	0.8234
2012-13	1	Molybdenum	489,001.00	Ton	6,057,942.00	12.3884
2012-13	1	OIL	352,056.12	Barrel	30,898,792.23	87.7667
2012-13	1	Opals	715.00	Ounce	146,378.00	204.7245
2012-13	1	Perlite	12,838.00	Ton	1,778,850.34	138.5613
2012-13	1	Salt	13,823.00	Ton	423,907.00	30.6668
2012-13	1	Silica	482,589.00	Ton	11,545,387.00	23.9239
2012-13	1	Silver	8,105,602.20	Ounce	251,207,605.25	30.9918
2012-13	1	Special Thickening Product	76,700.00	Ton	767,002.00	10.0000
2012-13	1	Trace Minerals	2,458.00	Ton	741,003.00	301.4658

10,437,065,302.90

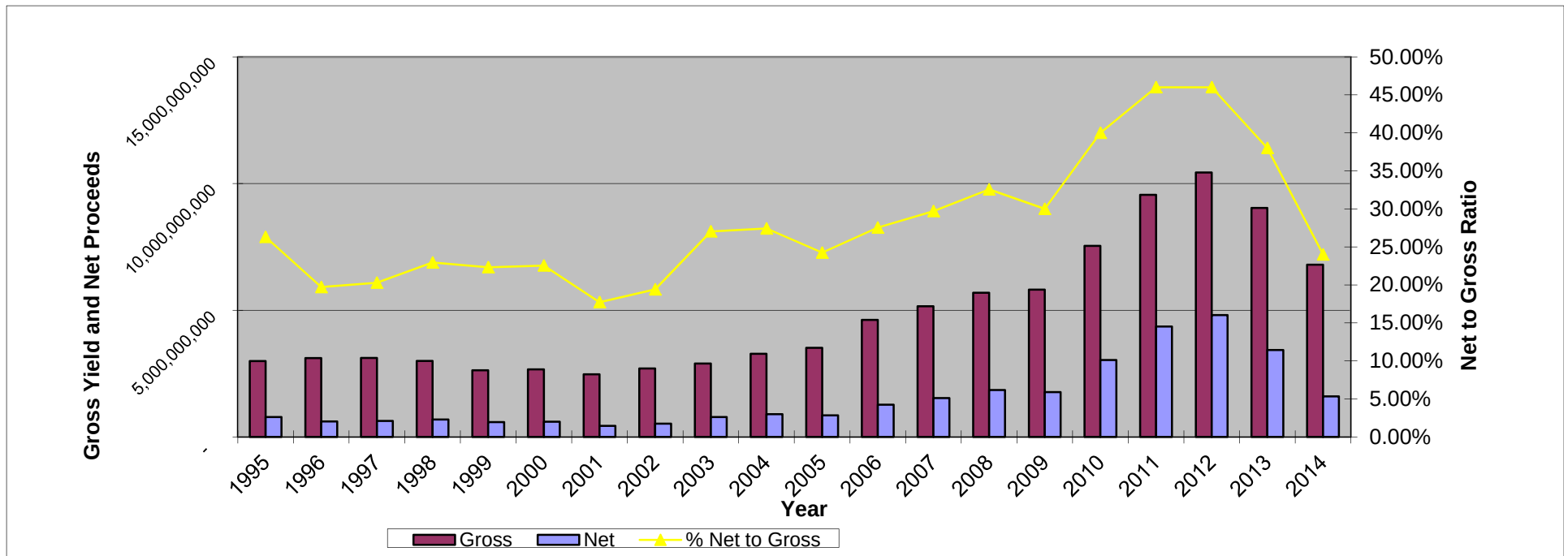
2013 Gross Yield by Product Type

Fiscal_Year	Form_Section	Product_Type	Quantity	Unit_of_Measure	Amount	Price_Per_UOM
2013-14	1	Barite	742,964.00	Ton	84,524,312.00	113.7664
2013-14	1	Clay	(276,501.00)	Ton	6,560,932.00	(23.7284)
2013-14	1	Copper	137,512,458.00	Pound	442,976,486.00	3.2214
2013-14	1	Diatomaceous Earth	272,287.00	Ton	41,548,523.98	152.5909
2013-14	1	Dolomite	44,581.00	Ton	4,243,758.61	95.1921
2013-14	1	Geothermal	2,827,603,717.00	Kilowatt	180,361,509.79	0.0638
2013-14	1	Gold	5,492,095.05	Ounce	7,655,567,536.78	1,393.9248
2013-14	1	Gypsum	13,447,431.00	Ton	23,216,272.00	1.7264
2013-14	1	Iron Ore	60,170.00	Ton	1,490,165.00	24.7659
2013-14	1	Limestone	3,818,124.00	Ton	37,246,182.18	9.7551
2013-14	1	Limestone Fines	171,782.00	Ton	865,974.00	5.0411
2013-14	1	Lithium	9,445,130.00	Ton	21,937,051.00	2.3226
2013-14	1	Magnesite	204,002.00	Ton	6,142,219.00	30.1086
2013-14	1	Molybdenum	13,634,104.00	Ton	13,634,104.00	1.0000
2013-14	1	OIL	332,704.99	Barrel	29,045,993.11	87.3025
2013-14	1	Opals	0.00	Ounce	171,247.00	0.0000
2013-14	1	Opals	5.25	Pounds	3,281.25	625.0000
2013-14	1	Perlite	12,916.00	Ton	5,262,260.11	407.4218
2013-14	1	Salt	19,564.00	Ton	626,048.00	32.0000
2013-14	1	Silica	642,643.00	Ton	15,644,567.00	24.3441
2013-14	1	Silver	10,065,776.69	Ounce	230,353,878.46	22.8849
2013-14	1	Trace Minerals	18,053.00	Ton	3,484,964.00	193.0407

8,804,907,265.27



Source: Division of Minerals



Year	Gross	Net	% Net to Gross
1995	2,991,623,439	786,843,446	26.30%
1996	3,110,683,648	613,166,679	19.71%
1997	3,118,086,678	632,502,706	20.28%
1998	2,998,541,697	687,985,198	22.94%
1999	2,631,248,251	587,254,060	22.32%
2000	2,667,929,747	601,362,809	22.54%
2001	2,471,845,830	438,013,468	17.72%
2002	2,702,274,316	524,535,480	19.41%
2003	2,896,813,027	783,208,831	27.04%
2004	3,281,802,592	899,946,917	27.42%
2005	3,518,322,128	853,038,789	24.25%
2006	4,617,260,026	1,271,677,525	27.54%
2007	5,157,136,841	1,531,548,125	29.70%
2008	5,688,396,979	1,852,116,643	32.56%
2009	5,810,628,688	1,770,704,563	30.00%
2010	7,538,743,530	3,037,532,753	40.00%
2011	9,556,080,505	4,357,905,978	46.00%
2012	10,437,065,303	4,809,595,268	46.00%
2013	9,036,131,047	3,431,989,884	38.00%
2014	6,795,567,143	1,599,712,421	24.00%

State-wide Net to Gross Ratio

Statewide Mean Average , 1995-2014 28%
Statewide Median Average , 1995-2014 27%

Net to Gross Ratio affects Tax Rate

NPM Tax Rate Table		NPM Tax Rate
NPM Tax Rate if net to gross ratio is less than 10		2.0000
NPM Tax Rate if net to gross ratio is 10 or more but less than 18		2.5000
NPM Tax Rate if net to gross ratio is 18 or more but less than 26		3.0000
NPM Tax Rate if net to gross ratio is 26 or more but less than 34		3.5000
NPM Tax Rate if net to gross ratio is 34 or more but less than 42		4.0000
NPM Tax Rate if net to gross ratio is 42 or more but less than 50		4.5000
NPM Tax Rate if net to gross ratio is 50 or more		5.0000

Calculation of the Tax

COUNTY **ROOP**

Tax District Overlapping Combined Rate - Dist. 0002 **1.7700**

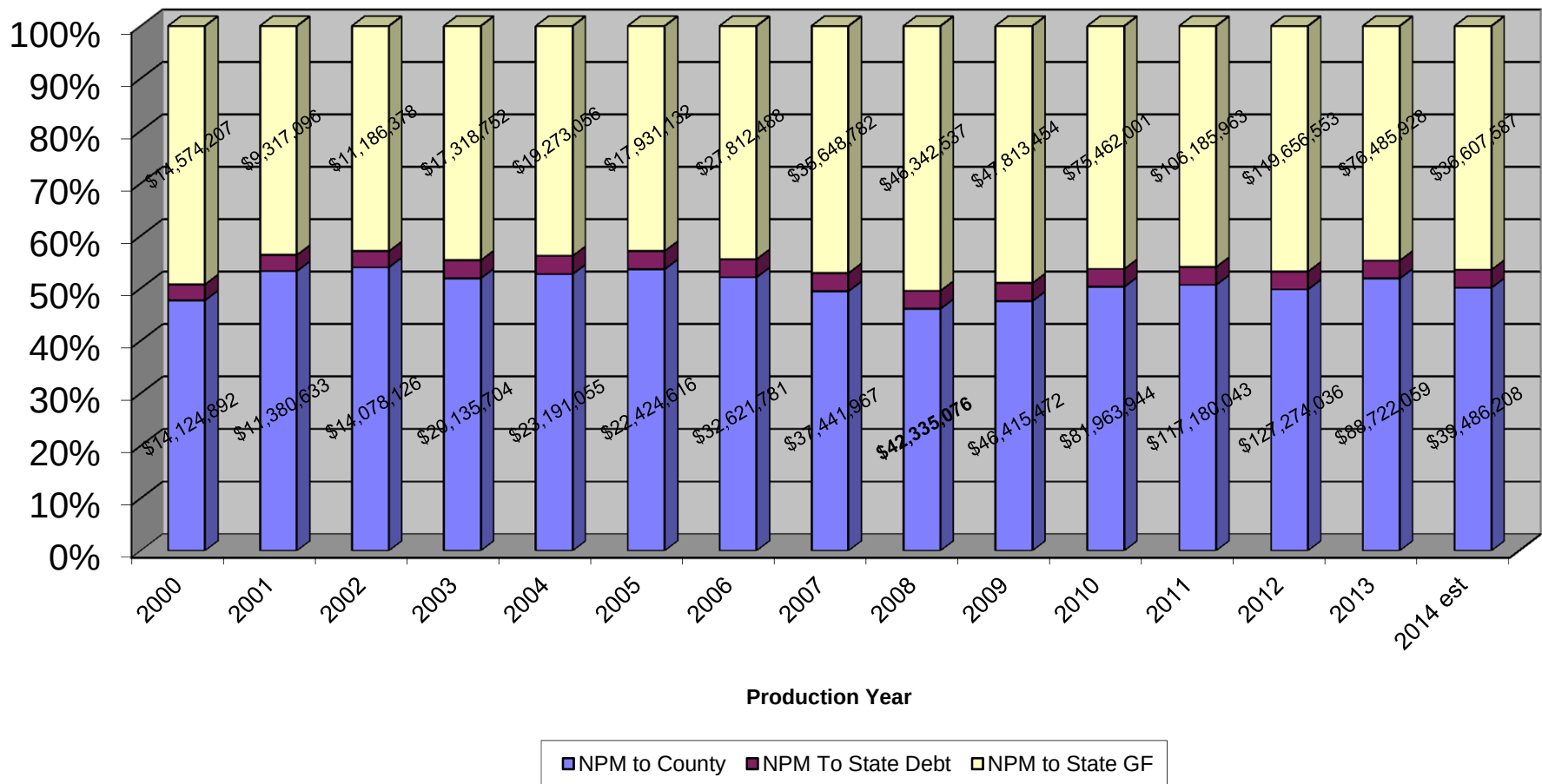
Gross yield \$ **1,000,000**

Net Proceeds \$ **400,000**

Net to gross ratio 40.0%

Net Proceeds of Minerals Tax Revenue	Minerals	Geothermal	Royalties	Total
Net Proceeds \$ 400,000.00	\$ 400,000.00	\$ 75,000.00	\$ 875,000	
Tax Rate	4%	1.77%	5%	
Net Proceeds Tax Revenue \$	16,000.00	\$ 7,080.00	\$ 3,750.00	\$ 26,830
% County Combined Rate to NPM Tax Rate (40%) \$	6,400.00	\$ 6,400.00	\$ 1,200.00	\$ 14,000.00
17 cents (4%) \$	680.00	\$ 680.00	\$ 127.50	1,487.50
State GF Rate [Max(NPM Rate - County Combined Rate, 0)] (56%) \$	8,920.00	\$ -	\$ 2,422.50	11,342.50
Total \$	16,000.00	\$ 7,080.00	\$ 3,750.00	\$ 26,830.00

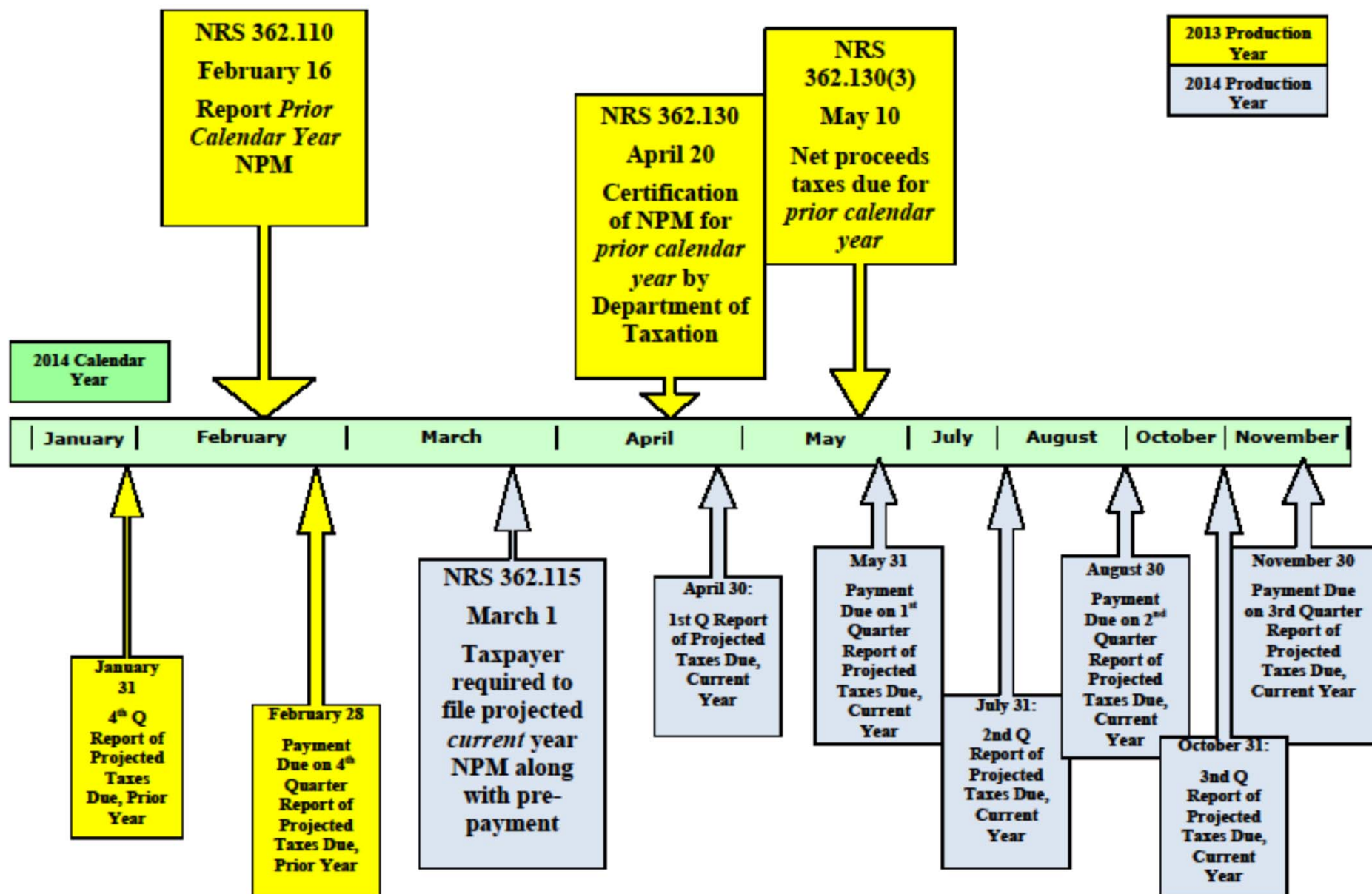
Distribution of the Tax



Distribution of the Tax

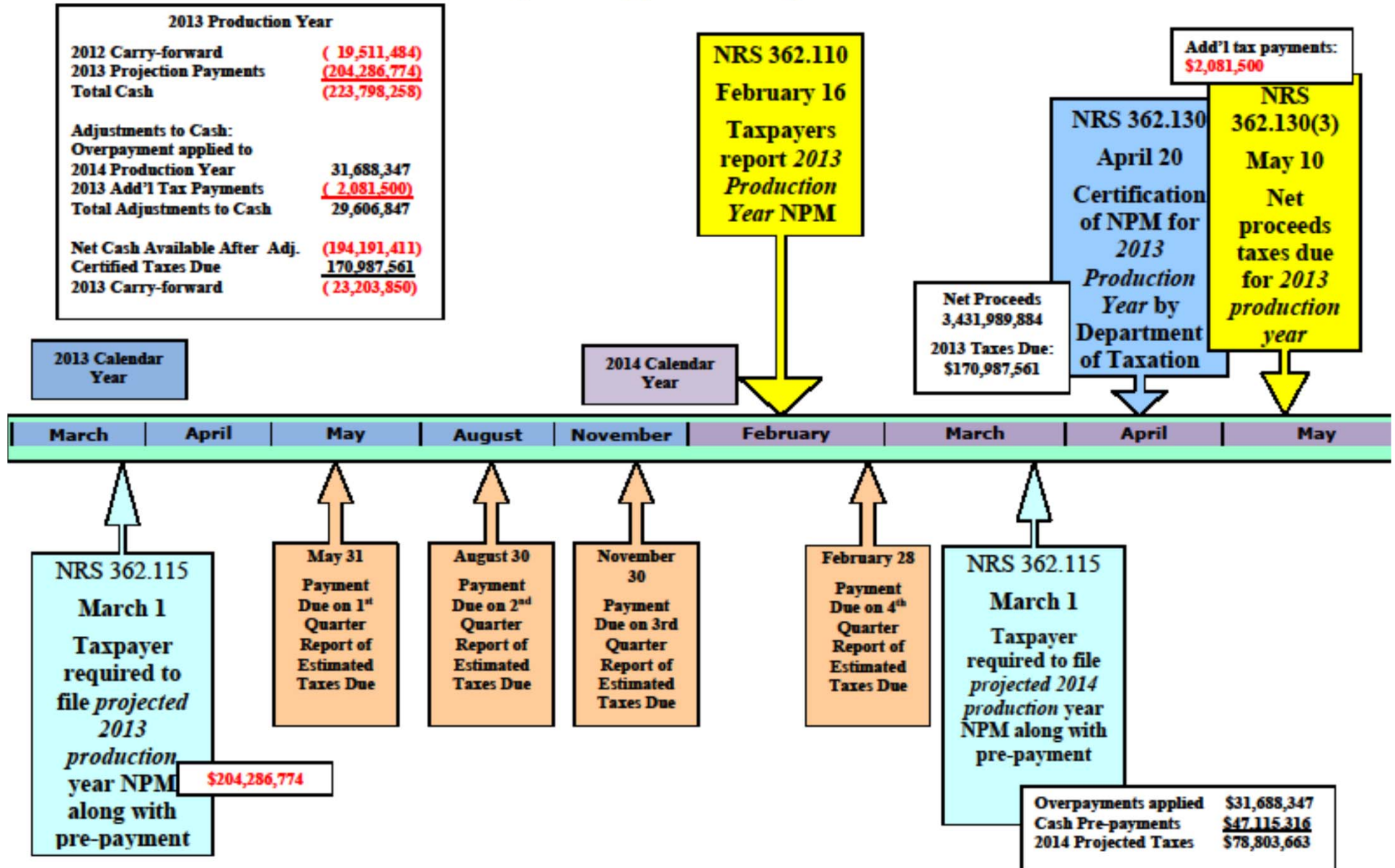
Production Year	NPM to County	NPM To State Debt	NPM to State GF	Total NPM Taxes	Net Proceeds	Percentage County	Percentage State
2000	\$ 14,124,892	\$ 902,044	\$ 14,574,207	\$ 29,601,143	\$ 601,362,809	48%	52%
2001	\$ 11,380,633	\$ 657,020	\$ 9,317,096	\$ 21,354,749	\$ 438,013,468	53%	47%
2002	\$ 14,078,126	\$ 800,593	\$ 11,186,378	\$ 26,065,097	\$ 524,535,480	54%	46%
2003	\$ 20,135,704	\$ 1,333,174	\$ 17,318,752	\$ 38,787,630	\$ 783,208,831	52%	48%
2004	\$ 23,191,055	\$ 1,529,910	\$ 19,273,056	\$ 43,994,020	\$ 899,946,917	53%	47%
2005	\$ 22,424,616	\$ 1,450,166	\$ 17,931,132	\$ 41,805,914	\$ 853,038,767	54%	46%
2006	\$ 32,621,781	\$ 2,160,428	\$ 27,812,488	\$ 62,594,697	\$1,270,839,999	52%	48%
2007	\$ 37,441,967	\$ 2,603,632	\$ 35,648,782	\$ 75,694,380	\$1,531,548,125	49%	51%
2008	\$ 42,335,076	\$ 3,148,598	\$ 46,342,537	\$ 91,826,211	\$1,852,116,543	46%	54%
2009	\$ 46,415,472	\$ 3,349,193	\$ 47,813,454	\$ 97,578,120	\$1,970,113,768	48%	52%
2010	\$ 81,963,944	\$ 5,568,242	\$ 75,462,001	\$ 162,994,187	\$2,847,291,321	50%	50%
2011	\$ 117,180,043	\$ 7,899,816	\$ 106,185,963	\$ 231,265,822	\$3,045,926,947	51%	49%
2012	\$ 127,274,036	\$ 8,715,444	\$ 119,656,553	\$ 255,646,033	\$5,126,731,917	50%	50%
2013	\$ 88,722,059	\$ 5,836,312	\$ 76,485,928	\$ 171,044,299	\$3,433,124,654	52%	48%
2014 est	\$ 39,486,208	\$ 2,709,867	\$ 36,607,587	\$ 78,803,662	\$1,599,712,421	50%	50%

Net Proceeds of Minerals Reporting and Payment Timeline



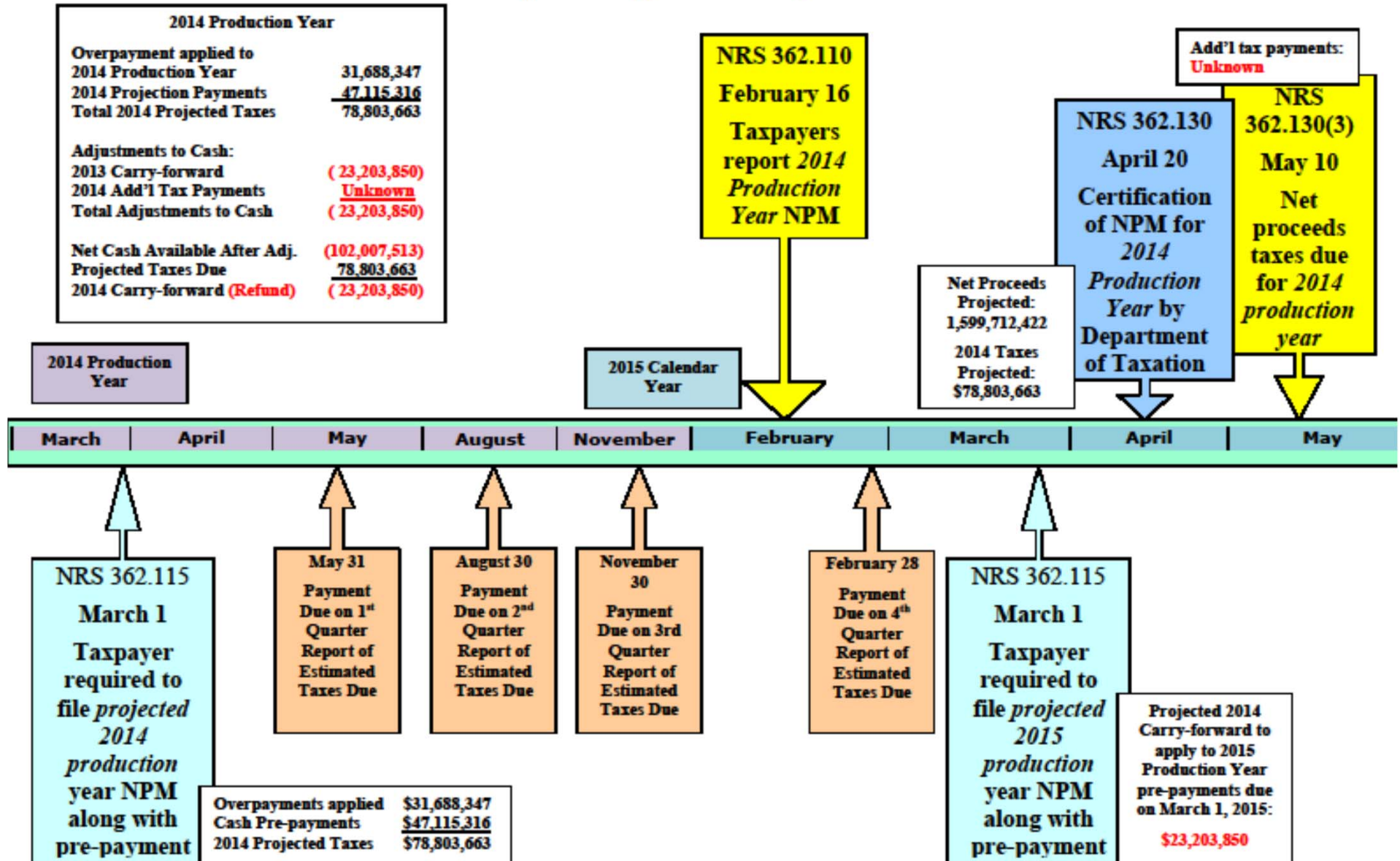
Net Proceeds of Minerals

2013 Reporting and Payment Timeline



Net Proceeds of Minerals

2014 Reporting and Payment Timeline



Distribution of FY 14/15 NPM Payment

	14/15 NPM Annual Projection Payments Total	FY 13/14 CARRY FORWARD Applied to 14/15 Projection Payment	DISTRIBUTION OF FY 14/15 NPM PROJECTION PAYMENT		
			NET NPM TAXES DUE (1) - (2)	STATE DEBT/GENERAL FUND	COUNTY
Carson City	\$ -	\$ -	\$ -	\$ -	\$ -
Churchill County	655,967	96,283	559,684	169,316	390,368
Clark County	300,000	-	300,000	158,598	141,402
Douglas County	-	-	-	-	-
Elko County	4,768,199	1,742,735	3,025,464	1,583,774	1,441,690
Esmeralda County	83,745	-	83,745	4,715	79,030
Eureka County	23,534,701	15,776,139	7,758,562	5,269,150	2,489,412
Humboldt County	13,005,180	8,855,876	4,149,303	2,438,505	1,710,798
Lander County	28,161,764	2,644,385	25,517,379	9,156,281	16,361,098
Lincoln County	9,410	7,041	2,369	117	2,252
Lyon County	58,573	-	58,573	6,489	52,084
Mineral County	247,287	247,287	-	-	-
Nye County	4,155,504	1,093,151	3,062,354	1,072,585	1,989,769
Pershing County	1,661,997	840,382	821,615	247,735	573,879
Storey County	63,807	31,999	31,808	1,563	30,246
Washoe County	156,224	764	155,460	33,230	122,230
White Pine County	1,941,305	352,305	1,589,000	479,878	1,109,122
STATEWIDE TOTALS	\$ 78,803,663	\$ 31,688,347	\$ 47,115,316	\$ 20,621,936	\$ 26,493,379

As of 5-28-14

Questions?