

**NONFERROUS METALLIC MINERALS EXTRACTION SEVERANCE TAX ACT (EXCERPT)**  
**Act 410 of 2012**

**211.784 Minerals severance tax; levy; other tax exemptions; rate; computation of taxable mineral value; payment; transfer or purchase of mineral; tax credit for open mines opened between January 1, 2011 and June 30, 2013; first year of tax levy.**

Sec. 4. (1) The minerals severance tax is levied on taxable minerals that a taxpayer extracts from the earth in this state or that a taxpayer beneficiates in this state. A mineral extracted from the earth in this state by a taxpayer which is shipped outside this state for beneficiation outside this state or otherwise removed from this state prior to actual sale or transfer is considered to have been sold by the taxpayer immediately prior to the shipment or removal and is subject to the minerals severance tax levied under this section. A taxpayer subject to the minerals severance tax is exempt from all of the following as provided in this act:

(a) The collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as provided in section 7qq of the general property tax act, 1893 PA 206, MCL 211.7qq.

(b) The tax levied under part 2 of the income tax act of 1967, 1967 PA 281, MCL 206.601 to 206.699, as provided in sections 31b and 623 of the income tax act of 1967, 1967 PA 281, MCL 206.31b and 206.623.

(c) The tax levied under the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, as provided in section 4dd of the general sales tax act, 1933 PA 167, MCL 205.54dd.

(d) The tax levied under the use tax act, 1937 PA 94, MCL 205.91 to 205.111, as provided in section 4aa of the use tax act, 1937 PA 94, MCL 205.94aa.

(2) The minerals severance tax required to be paid by each taxpayer each year shall be 2.75% of the taxable mineral value.

(3) The taxable mineral value of all minerals shall be computed as of the time of sale or transfer. Each taxpayer shall pay the minerals severance tax to the local tax collecting unit on or before February 15 beginning on February 15 in the calendar year immediately following the year in which the department declares the property to be mineral-producing property under section 6.

(4) If a taxpayer sells or transfers the minerals to another taxpayer, the seller or transferor shall add to the sales price, or to the value of the consideration with respect to a transfer, any minerals severance tax the seller or transferor paid under this act for those minerals and itemize the minerals severance tax paid under this act on the invoice.

(5) A taxpayer that purchases taxable minerals from another taxpayer may claim a credit against the minerals severance tax imposed under this act for the minerals severance tax paid under this act by the seller or transferor for those minerals that is itemized on the invoice.

(6) For open mines opened at any time between January 1, 2011 and June 30, 2013, for the first 5 years in which that open mine is a producing mine and is subject to the minerals severance tax, the taxpayer may claim a credit of not more than 20% of the amount of the ad valorem property tax levied on that open mine in 2012 attributable to those minerals valued by the state geologist under section 24(2) of the general property tax act, 1893 PA 206, MCL 211.24, in 2012.

(7) In the first year that a minerals severance tax is levied on a taxpayer under this act, the minerals severance tax for that year is equal to the greater of the following:

(a) The minerals severance tax calculated under subsection (2).

(b) The amount of general ad valorem property tax that was paid on the mineral-producing property for that year.

**History:** 2012, Act 410, Imd. Eff. Dec. 20, 2012.