

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

211.789 Minerals severance tax; allocation by department; collection by local tax collecting unit; distribution; report of collections and distributions; remittance of portion to department for deposit in rural development fund; modification so that distributions to school districts, this state, and local governmental units not reduced; provisions applicable to open mines opened between January 1, 2011 and June 30, 2013.

Sec. 9. (1) The department shall allocate the minerals severance tax and the local tax collecting unit shall collect the minerals severance tax as provided in this act and collect the same collection charges as general property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155. Property listed and taxed under this act shall be subject to return and sale for nonpayment of taxes in the same manner, at the same time, and under the same penalties as property returned and sold for nonpayment of taxes levied under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(2) If mineral-producing property is located in more than 1 local tax collecting unit, the department, or a person designated by the department, shall determine the portion attributable to each local tax collecting unit.

(3) Except as provided in subsection (5), the minerals severance tax collected under this act shall be distributed as follows:

(a) 65% by the local tax collecting unit to school districts, this state, and local governmental units in the same proportion as the general ad valorem property taxes are distributed. The amounts distributed may be used by the receiving entities for any use for which such entity is permitted to use general ad valorem property tax revenues.

(b) 35% to the department for deposit into the rural development fund.

(4) The local tax collecting unit shall report all collections and distributions under this act to and remit the portion of the minerals severance tax described in subsection (3)(b) to the department for deposit in the rural development fund no later than 30 days after a payment is received from the taxpayer. If a local tax collecting unit fails to make any distribution or remittance required under this act to another entity, the department shall deduct an equivalent amount from any revenues the local tax collecting unit would otherwise be entitled to receive under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, and distribute the amount deducted to those entities entitled to receive that distribution under this act.

(5) In determining the distribution under subsection (3), the department shall modify the distributions so all minerals severance tax revenue lost due to the credit described in section 4(6) does not reduce the distributions to school districts, this state, and local governmental units under subsection (3)(a).

(6) For open mines opened at any time between January 1, 2011 and June 30, 2013, all of the following apply:

(a) For the first 5 years in which that open mine is a producing mine and is subject to the minerals severance tax, if the amount distributed under subsection (3)(a) is less than \$3,500,000.00, the taxpayer shall, in addition to the amount distributed under subsection (3)(a), pay the difference between \$3,500,00.00 and the amount distributed under subsection (3)(a), which additional amount shall be distributed to the school districts, this state, and local governmental units in the proportion provided in subsection (3)(a).

(b) For the sixth and seventh years in which that open mine is a producing mine and is subject to the minerals severance tax, if the amount distributed under subsection (3)(a) is less than \$1,600,000.00, the taxpayer shall, in addition to the amount distributed under subsection (3)(a), pay the difference between \$1,600,000.00 and the amount distributed under subsection (3)(a), which additional amount shall be distributed to the school districts, this state, and local governmental units in the manner provided in subsection (3)(a).

(c) If the taxpayer makes any additional payments as provided under this subsection in addition to the amount distributed under subsection (3)(a), the amount of that additional payment shall be recovered as a credit, without interest, by the taxpayer against subsequent payments made under this act and distributed under subsection (3)(a) until the taxpayer has been reimbursed in full, provided that in no case shall this credit cause the distribution made under subsection (3)(a) in that year to fall below the minimum amounts provided in subdivision (a) or (b) for that year. The credit shall be cumulative and shall not expire until the taxpayer has been fully reimbursed under this act.

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