

Department of Revenue's Response to a Question from Brittany Hartmann, Associated General Contractors, Regarding the Department's Notice of Proposed Changes to Mining License Taxes dated September 18, 2020 for Proposed Changes to Department Regulations under 15 AAC 65, Mining License Tax and 15 AAC 145, Forest Products Business Loan Guarantee.

Question:

Can you please tell me if this regulation change is reinstating an old mining tax or creating a new tax? The research I have done seems to reflect that the changes made in this regulatory package are merely conforming language to make the regulations accurately reflect the changes that were made in HB 298 "An Act exempting quarry rock, sand and gravel, and marketable earth mining operations from the mining license tax; and providing for an effective date" from 2012 (in AS 43.65.060) when the tax was eliminated. Please let me know what this regulatory package is actually going to change.

Department's Response:

The proposed regulations do not reinstate an old mining tax or create a new tax. The proposed regulations further define statutory language that removed sand and gravel from the definition of mining in AS 43.65.060, as amended in 2012. In addition, the proposed regulations clean up obsolete language related to extensions and delete regulations for the Forest Products Business Loan Guarantee that are no longer in effect because the statutory authority was previously repealed.