

# State of Alaska Mining License Tax Return

Department of Revenue  
Tax Division  
PO Box 110420  
Juneau, AK 99811-0420  
Telephone 907-269-6620  
Fax 907-269-6644  
Email taxmining@alaska.gov

For the Calendar Year \_\_\_\_\_ OR beginning  
Fiscal Year \_\_\_\_\_, \_\_\_\_\_, ending \_\_\_\_\_, \_\_\_\_\_  
Month Year Month Year

<b>DEPARTMENT USE ONLY</b>
FSN

Authority: AS 43.65

Federal EIN or SSN			Mining License Number(s)		
Name of Individual, Partnership or Corporation			Telephone Number		Fax Number
Business Name			E-Mail Address		
Mailing Address			Check if:		Taxpayer type (check one)
City	State	Zip Code + 4	<input type="checkbox"/> Inactive	<input type="checkbox"/> Owner/Operator	
Contact Person			<input type="checkbox"/> Amended	<input type="checkbox"/> Owner/Lessor	
Title			(attach explanation)		<input type="checkbox"/> Lesser/Operator
					<input type="checkbox"/> Temporarily Exempt

**Due Date:**

For calendar year taxpayers, the return is due before May 1 of the following year. For fiscal year taxpayers, the return is due before the first day of the fifth month following the year end.

		<b>DEPT USE ONLY</b>
1. Taxable income from all mining operations (line 7 of all Schedule A's) . . . . .	1	

2. Computation of tax. If line 1 is
- A. \$40,000 or less; the tax due is zero. Enter zero on line 2
  - B. over \$40,000 and less than or equal to \$50,000; \$1,200 plus 3% (0.03) of the excess over \$40,000
  - C. over \$50,000 and less than or equal to \$100,000; \$1,500 plus 5% (0.05) of excess over \$50,000
  - D. over \$100,000; \$4,000 plus 7% (0.07) of excess over \$100,000

**Tax** . . . . .

3. Less exploration incentive credit (attach form 04-665) . . . . .
4. Less special industrial incentive investment tax credit (attach schedule) . . . . .
5. Less Alaska education credit (attach form 04-706) . . . . .
6. **Tax liability.** Subtract lines 3, 4 and 5 from line 2, but not less than zero. . . . .
7. Amount paid with extension . . . . .
8. **Net tax due or (overpayment).** Subtract line 7 from line 6 . . . . .
9. Penalty for late filing (5% per 30 day period or fraction of a period, not to exceed 25%) . . . . .
10. Penalty for late payment (5% per 30 day period or fraction of a period, not to exceed 25%) . . . . .
11. Interest (11% compounded quarterly) . . . . .
12. **Balance due.** Add lines 8 through 11. If the total results in tax due, enter here and remit payment with the return . . . . .

2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		

- I wish to renew my mining license(s) for next year.
- Check if you are remitting by TOPS / Receipt Number \_\_\_\_\_
- Check here if you are remitting by Wire Transfer or Electronic Funds Transfer.

I declare under penalty of unsworn falsification that this return, including all accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.

Signature	Print name and title	Date
-----------	----------------------	------

<b>DEPARTMENT USE ONLY</b>	<b>VALIDATION</b>
PMD:	

Name of Individual, Partnership or Corporation		Federal EIN or SSN
Description and Location of Mining Operation	Date of Initial Production	Mining License Number

### SCHEDULE A - Taxable Income From Mining Operation

(Use a separate schedule A to calculate the income from each mining operation. See instructions.)

Complete the following for above identified mining operation

1. Gross income or royalties received from mining operation .....	1	
2. Depletion deduction (Schedule B, line 16) .....	2	
3. Direct mining expenses (Schedule C, line 10). If line 1 is income from royalties, enter zero .....	3	
4. Indirect mining expenses (Schedule C, line 35). If line 1 is income from royalties, enter zero .....	4	
5. Net income from mining operation (line 1 less lines 2 through 4) .....	5	
6. Less exemption for new mining operation (see instructions) .....	6	
7. Taxable income from mining operation (line 5 less line 6). Enter here and include on Line 1 of Form 04-662 .....	7	

### SCHEDULE B - DEPLETION

(Attributable to mining operation identified above.)

#### COST DEPLETION CALCULATION

Divide the cost or other basis of the mineral interest by the estimated recoverable units of the natural resource at the beginning of the tax year to arrive at a unit value. Multiply the unit value by the number of units extracted and sold during the year to arrive at cost depletion.

1. Cost or basis of mining property (less residual value) .....	1	
2. Estimated recoverable units at beginning of tax year .....	2	
3. Unit value (divide line 1 by line 2) .....	3	
4. Number of units sold this tax period .....	4	
5. Cost depletion (multiply line 3 by line 4) .....	5	

#### PERCENTAGE DEPLETION CALCULATION (Sand and gravel operations must use cost depletion, above.)

Depletion percentages to be used on line 9, below.

10% Coal mines

15% Metal mines, fluorspar, flake graphite, vermiculite, beryl, feldspar, mica, talc, lepidolite, spodumene, barite, ball and sagger clay, or rock asphalt mines and potash mines or deposits

23% Sulphur mines or deposits

6. Gross income or royalties received from mining operation (Schedule A, line 1) .....	6	
7. Royalties paid from Schedule D, line 6. If line 6 is income from royalties, enter zero .....	7	
8. Depletion base (line 6 minus line 7) .....	8	
9. Applicable depletion percentage from above (10%, 15%, or 23%) .....	9	
10. Percentage depletion (multiply line 8 by line 9) Enter results here .....	10	
11. Total gross income from mining operation (Schedule A, line 1) .....	11	
12. Allowable deductions (Schedule A, lines 3 and 4) .....	12	
13. Net income before depletion (line 11 minus line 12) .....	13	
14. Limitation (multiply line 13 by 50% (0.5)) .....	14	
15. Line 10 or line 14, whichever is less .....	15	
16. Depletion deduction (line 5 or 15, whichever is greater). Enter on Schedule A, line 2 .....	16	

# SCHEDULE C. Mining Expenses

## Instructions

### **Direct Mining Expenses**

Direct mining expenses are fully deductible against mining gross income. Only those expenses related to the extraction of the mined material, transportation of the material to the point of ordinary treatment processes, and the ordinary treatment process itself are deductible. Included in this category of expenses are maintenance and repairs, and salaries and wages paid to those engaged in the extraction, transportation and ordinary treatment processes of the mined material.

Line 3. Current Development Costs. If a mining property is in the development stage, all development costs which are in excess of net income from the sale of mined materials must be included in the mine's basis and are recoverable through the depletion allowance. Development expenses incurred after the mine has reached the production stage are deductible as a current operating cost. A mine is considered to be in production stage when the principal activity becomes the production of ore from the property rather than the development of the ore body. (15 AAC 65.125)

### **Indirect Mining Expenses (Apportioned)**

Indirect mining expenses are those expenses necessary to the mining operation but not directly connected to the extraction, transportation and ordinary treatment processes of the operation. These expenses are deductible from mining gross income in whole or in part.

Exploration costs, federal income taxes, the Alaska mining license tax, losses on the sale of mining equipment or properties, net operating losses and other capital losses are not deductible. (15 AAC 65.125)

Where two or more properties are involved, indirect expenses must be allocated between the properties based upon the ratio of each property's production to the taxpayer's total production from all properties during the tax year.

If the indirect expense is related to both mining and nonmining activities, the item of expense is allocated in proportion to the mining and nonmining activity's direct expenses. (15 AAC 65.125)

Name of Individual, Partnership or Corporation		Federal EIN or SSN
Description and Location of Mining Operation	Date of Initial Production	Mining License Number

**SCHEDULE C. Mining Expenses**  
**(Submit a separate Schedule C for each mining operation. See instructions.)**

**DIRECT MINING EXPENSES OF IDENTIFIED MINING OPERATION:**

1. Royalties paid (Schedule D, line 6) .....	1	
2. Fuel and oil .....	2	
3. Current development costs .....	3	
4. Extraction costs .....	4	
5. Maintenance and repairs.....	5	
6. Salaries and wages.....	6	
7. Transportation costs.....	7	
8. Depreciation .....	8	
9. Other expenses (specify)		
a. _____	9a	
b. _____	9b	
c. _____	9c	
10. <b>Total direct mining expenses for this operation (add lines 1 through 9)</b> <b>(enter here and on schedule A, line 3) .....</b>	10	
11. Direct mining expenses of all other mining operations (line 10 of all other Schedule C's) .....	11	
12. Total direct mining expenses of all mining operations (add lines 10 and 11) .....	12	
13. Direct nonmining expenses .....	13	
14. Total direct mining and nonmining expenses (add lines 12 and 13) .....	14	
15. Direct mining expenses as a percentage of total direct expenses (divide line 12 by line 14) ....	15	

**INDIRECT EXPENSES OF ALL MINING AND NONMINING ACTIVITIES:**

16. Advertising .....	16	
17. Insurance .....	17	
18. Interest on business debt.....	18	
19. Legal and professional fees .....	19	
20. Casualty losses .....	20	
21. Office supplies and expenses .....	21	
22. Office repairs and maintenance .....	22	
23. Rent .....	23	
24. Taxes (Other than federal income and Alaska mining license tax) .....	24	
25. Travel and entertainment .....	25	
26. Utilities and telephone .....	26	
27. Depreciation .....	27	
28. Other expenses (specify)		
a. _____	28a	
b. _____	28b	
c. _____	28c	
29. Total indirect expenses (add lines 16 through 28) .....	29	
30. Indirect expenses allocated to mining operations (multiply line 29 by line 15) .....	30	
31. Total current year production from this mining operation (Schedule B, line 4) .....	31	
32. Total current year production from all other mining operations (line 4 of all other Schedule B's) .....	32	
33. Total current year production of all mining operations (add lines 31 and 32) .....	33	
34. This operation's percentage of total current year production (divide line 31 by line 33) .....	34	
35. <b>Total indirect expenses allocated to this property (multiply</b> <b>line 30 by line 34). Enter here and on Schedule A, line 4 .....</b>	35	

Name of Individual, Partnership or Corporation	Federal EIN or SSN
Description and Location of Mining Operation	Mining License Number

## SCHEDULE D. Royalties Paid

(Submit a separate Schedule D for each mining operation. See instructions.)

**ALL FIELDS MUST BE FILLED IN TO BE COMPLETE**

Name and Address of each Lessor				Amount Paid
1	Federal ID      EIN      SSN # _____			\$ _____
	Name			
	Address			
	City	State	ZIP+4	
2	Federal ID      EIN      SSN # _____			\$ _____
	Name			
	Address			
	City	State	ZIP+4	
3	Federal ID      EIN      SSN # _____			\$ _____
	Name			
	Address			
	City	State	ZIP+4	
4	Federal ID      EIN      SSN # _____			\$ _____
	Name			
	Address			
	City	State	ZIP+4	
5	Federal ID      EIN      SSN # _____			\$ _____
	Name			
	Address			
	City	State	ZIP+4	
Total royalties paid. Add amounts paid and enter amount on Schedule C, line 1 of appropriate mining operation .....				6

Name of Individual, Partnership or Corporation	Federal EIN or SSN
Description and Location of Mining Operation	Mining License Number

## SCHEDULE E. Royalties Received

(Submit a separate Schedule E for each mining operation. See instructions.)

**ALL FIELDS MUST BE FILLED IN TO BE COMPLETE**

Name and Address of each Lessee				Amount Received
1	Federal ID      EIN      SSN # _____			\$ _____
	Name			
	Address			
	City	State	ZIP+4	
2	Federal ID      EIN      SSN # _____			\$ _____
	Name			
	Address			
	City	State	ZIP+4	
3	Federal ID      EIN      SSN # _____			\$ _____
	Name			
	Address			
	City	State	ZIP+4	
4	Federal ID      EIN      SSN # _____			\$ _____
	Name			
	Address			
	City	State	ZIP+4	
5	Federal ID      EIN      SSN # _____			\$ _____
	Name			
	Address			
	City	State	ZIP+4	
Total royalties received. Add amounts received and enter amount on Schedule A, line 1 of appropriate mining operation .....				6

# Alaska Education Credit

Name of Individual, Partnership or Corporation	Federal EIN or SSN
Description and Location of Mining Operation	Mining License Number

**Explanation of Credit.** A taxpayer is allowed a credit for cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions. Contributions accepted for endowment purposes are also eligible for the credit. The contribution must be given to an accredited, public or private nonprofit, two or four-year college or university foundation in Alaska.

**Limitation.** The credit is limited to 50 percent of contributions of not more than \$100,000; and 100 percent of the next \$100,000 of contributions. A contribution claimed as a credit under this section may not be claimed as a credit against other state taxes. See AS 43.65.018.

**NOTE:** A corresponding deduction for the gross qualified contribution (line 1, below) is not allowed in the computation of taxable income from mining operations.

Recipient	Date	Amount	DEPT USE ONLY

1. Amount of qualified cash contribution.....	1	
2. Multiply the lesser of line 1 or \$100,000 by 50% (0.5).....	2	
3. Enter 100% of the next \$100,000 of contribution.....	3	
4. Total allowed Alaska Education Credit. Add lines 2 and 3; enter here and on Page 1, line 5, Form 04-662, but not more than the total tax reduced by total incentive credits. (Maximum amount is \$150,000).....	4	