

TITLE 47
MINES AND MINING

CHAPTER 12
LICENSE TAX FOR PRIVILEGE OF MINING AND EXTRACTING ORES

47-1201. LICENSE TAX TO BE MEASURED BY ONE PERCENT OF THE NET VALUE OF ORES MINED -- DEFINITION OF ROYALTY. (a) Tax on mining or on receiving royalties. For the privilege of mining in this state, both placer and rock in place, every person, copartnership, company, joint stock company, trust, corporation or association, however and for whatever purpose organized, engaged in mining, upon or receiving royalties from any quartz vein or lode, or placer or rock in place mining claim, in this state containing gold, silver, copper, lead, zinc, coal, phosphate, limestone, or other precious and valuable metals or minerals, or metal or mineral deposits, shall pay to the state of Idaho, in addition to all other taxes provided by law, a license tax equal in amount to one percent (1%) of the net value of the royalties received or the ores mined or extracted as determined under section [47-1202](#), Idaho Code, said tax to accrue during the taxable year that the product is sold or used and shall on the last day of such taxable year become a lien on property in this state of such person, copartnership, company, joint stock company, trust, corporation, or association, said tax to be due and payable on or before the fifteenth day of the fourth month following the close of the taxable year.

(b) Definition of royalties. For the purpose of paragraph (a) of this section and chapter, the word "royalties" shall be construed to mean the amount in money or value of property received based upon the quantity or value of minerals extracted by any person, copartnership, company, joint stock company, trust, corporation, or association, having any right, title or interest in or to any tract of land, or any economic interest in minerals as defined by section 613 of the Internal Revenue Code, in this state for which permission has been given to another to explore, mine, take out and remove ore therefrom.

(c) Definition of taxable year. The term "taxable year" with respect to any taxpayer means the taxable year elected for income tax purposes under the provisions of section [63-3010](#), Idaho Code.

[47-1201, added 1935 (1st E.S.), ch. 65, sec. 1, p. 182; am. 1941, ch. 106, sec. 1, p. 188; am. 1972, ch. 99, sec. 1, p. 209; am. 1977, ch. 93, sec. 1, p. 189; am. 2001, ch. 207, sec. 1, p. 703.]

47-1202. NET VALUE OF ORE TO BE USED AS MEASURE OF TAX -- HOW DETERMINED. For the purpose of measuring and determining the amount of tax to be paid under the provisions of section [47-1201](#), Idaho Code, the royalties as defined in subsection (b) of section [47-1201](#), Idaho Code, or the net value of ore mined shall be computed under one (1) of the following methods at the election of the taxpayer. Such election, once made, shall be binding for all succeeding years unless the taxpayer secures permission from the state tax commission to change to another method:

(a) Ores mined within the state shall be valued by deducting from the gross value of the ore, all costs of mining and processing such ore, using the formula prescribed in section 613 of the Internal Revenue Code and Treasury Regulation 1.613-5 for computation of the net income from mining for deple-

tion purposes, less the deduction of depletion as computed under section 613 of the Internal Revenue Code and Treasury Regulation 1.613-5; or

(b) Ores mined within the state shall be valued using the gross value determined by the U.S. Department of the Interior for computation of the value of minerals on public lands for federal royalty purposes, less the following deductions:

(1) all costs of mining and transporting such ore to the point at which the value for federal royalty purposes is determined by measurement of the quantity of ore mined; these costs to include only those directly incurred in and attributable to the actual mining and transportation operation in the state of Idaho, and

(2) the applicable portion of the federal deduction for depletion, allocated on the ratio of the gross value of the ore used for this computation, to the gross value of the ore used in the federal depletion computation.

[47-1202, added 1935 (1st E.S.), ch. 65, sec. 2, p. 182; am. 1941, ch. 106, sec. 2, p. 188; am. 1972, ch. 99, sec. 2, p. 209; am. 1973, ch. 43, sec. 1, p. 78; am. 1977, ch. 93, sec. 2, p. 190; am. 1996, ch. 381, sec. 1, p. 1294.]

47-1203. STATEMENT OF NET PROCEEDS FROM MINING OR EXTRACTING ORES -- OR FROM ROYALTY. (a) Every person, copartnership, company, joint stock company, trust, corporation, or association mining or receiving royalties from any quartz vein or lode, or placer or rock in place mining claim, containing gold, silver, copper, lead, zinc, coal, phosphate, limestone, or other precious or valuable minerals or metals, or mineral or metal deposits, must, on or before the fifteenth day of the fourth month following the close of the taxable year make a tax return to the state tax commission, stating specifically the items of income and the deductions allowed by this act. For the purpose of enforcing this act, the income tax returns filed in accordance with the provisions of the Idaho Income Tax Act shall be open to inspection by the officer designated to enforce this act.

(b) In the event the taxpayer is entitled to an automatic extension of time to file the income tax return under section [63-3033](#), Idaho Code, an automatic six (6) month extension is granted to file the return required under this act. In all cases of an extension of time in which to file any return, interest shall be paid on any tax due from due date to date of payment at the rate provided in section [63-3045](#), Idaho Code.

[47-1203, added 1935 (1st E.S.), ch. 65, sec. 3, p. 182; am. 1941, ch. 106, sec. 3, p. 188; am. 1972, ch. 99, sec. 3, p. 209; am. 1977, ch. 93, sec. 3, p. 191; am. 1982, ch. 179, sec. 1, p. 467; am. 2000, ch. 26, sec. 1, p. 45.]

47-1204. STATEMENT AS TO ENTIRE GROUP. Where the same person or persons are operating or leasing to another two (2) or more mines or mining claims under one (1) general system of mining or development, a duplicate copy of the statement herein provided, and the tax herein levied, shall be made as to such entire group and need not be made as to each particular mining claim constituting said group, as provided by section [63-2804](#).

[47-1204, added 1935 (1st E.S.), ch. 65, sec. 4, p. 182; am. 1972, ch. 99, sec. 4, p. 209.]

47-1205. DEFINITION OF VALUABLE MINERAL. The term "valuable mineral" for purposes of this act, shall be deemed to include not only gold, silver, copper, lead, zinc, coal, phosphate and limestone, but also any other substance not gaseous or liquid in its natural state, which makes real property more valuable by reason of its presence thereon or thereunder and upon which depletion is allowable pursuant to section 613 of the Internal Revenue Code, provided, however, that sand and gravel are not included in this definition.

[47-1205, added 1977, ch. 93, sec. 4, p. 192.]

47-1206. PAYMENT OF MINE LICENSE TAX. (1) Except as provided in subsection (2), the license tax imposed by this chapter shall be paid to the state tax commission on or before the due date of the return and the commission shall remit the sums to the state treasurer, who shall place sixty-six percent (66%) to the credit of the general fund of the state and thirty-four percent (34%) to the credit of the abandoned mine reclamation fund created by the provisions of section [47-1703](#), Idaho Code.

(2) The license tax imposed by this chapter only on mining operations that include a cyanidation facility, as defined by section [47-1503](#), Idaho Code, shall be paid to the state tax commission on or before the due date of the return and the commission shall remit the sums to the state treasurer who shall place thirty-three percent (33%) to the credit of the general fund of the state, thirty-three percent (33%) to the credit of the cyanidation facility closure fund created by the provisions of section [47-1513](#), Idaho Code, and thirty-four percent (34%) to the credit of the abandoned mine reclamation fund created by the provisions of section [47-1703](#), Idaho Code.

[47-1206, added 1935 (1st E.S.), ch. 65, sec. 6, p. 182; am. 1939, ch. 173, sec. 8, p. 320; am. 1969, ch. 311, sec. 1, p. 966; am. 1977, ch. 93, sec. 5, p. 192; am. 1999, ch. 44, sec. 1, p. 105; am. 2005, ch. 341, sec. 1, p. 1066.]

47-1208. TAX DEFICIENCY COLLECTION AND ENFORCEMENT PROCEDURES. The deficiency in tax and notice of deficiency as well as the collection and enforcement procedures provided by the Idaho income tax act, sections [63-3030A](#), [63-3033](#), [63-3038](#), [63-3039](#), [63-3040](#), [63-3042](#) through [63-3065A](#), [63-3068](#), [63-3069](#), [63-3071](#), [63-3072](#), [63-3073](#) and [63-3075](#) through [63-3078](#), Idaho Code, shall apply and be available to the state tax commission for enforcement of the provisions of this act and the assessment and collection of any amounts due. Said sections shall for this purpose be considered a part of this act and wherever liens or any other proceedings are defined as income tax liens or proceedings they shall, when applied in enforcement or collection under this act, be described as a license tax for the privilege of mining lien or proceeding.

The state tax commission may be made a party defendant in an action at law or in equity by any person aggrieved by the unlawful seizure or sale of his property, or in any suit for refund or to recover an overpayment, but only the state of Idaho shall be responsible for any final judgment secured against the state tax commission, and said judgment shall be paid or satisfied out of the state refund account created by section [63-3067](#), Idaho Code.

[47-1208, added 1969, ch. 311, sec. 2, p. 966; am. 1977, ch. 93, sec. 6, p. 192; am. 1979, ch. 48, sec. 2, p. 138; am. 1982, ch. 179, sec.

2, p. 467; am. 1986, ch. 73, sec. 6, p. 207; am. 1986, ch. 92, sec. 1, p. 269.]