

Mining Tax Act

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On May 4, 2000, **Bill 12** (*Regulatory Streamlining Miscellaneous Statutes Amendment Act, 2000*) was introduced which included an amendment to the ***Mining Tax Act***. The Bill received Royal Assent on June 12, 2000. The *Mining Tax Act* (Act) will be repealed by regulation subject to the following transitional rules.

The information in this bulletin is provided for your convenience and guidance and is not a replacement for the legislation. The *Mining Tax Act* and Regulations can be found on the web at www.gov.bc.ca/sbr

Taxpayers with Income from Quarry Material

For taxpayers whose mining operations include income from mining quarry material, the Act is repealed effective January 1, 2001. These taxpayers will be subject to tax under the ***Mineral Tax Act***.

Quarry material is defined under the Act to be:

- a. limestone;
- b. dolomite;
- c. marble;
- d. shale;
- e. clay;
- f. volcanic ash; or,
- g. diatomaceous earth

Special rules apply to taxpayers under the Act who have income from quarry material and have a non-December 31, 2000 year end. These taxpayers will file their mining tax returns for the year (including December 31) based on their existing taxation year end. They will pro-rate their mining tax based on the number of days prior to January 1, 2001 over the total days in the taxation year.

Other

For taxpayers currently subject to tax under the Act who do not have income from mining quarry material (e.g., persons whose income is from sand

and gravel operations), the Act is repealed for taxation years beginning on or after July 1, 2000. Therefore, those taxpayers will no longer be required to submit returns or remit tax under the Act for taxation years beginning after that date.

NEED MORE INFO?

This bulletin is intended to assist in the understanding of the requirements of the governing *Mining Tax Act* legislation and related regulations. It is not intended to replace the need to consult the legislation and regulations for their application in a particular situation. In the event of a conflict between the legislation and this bulletin, the legislation shall prevail.

For further information, contact:

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Information is also on the web at www.gov.bc.ca/sbr While there, you can subscribe to our free electronic update service.