



MINISTRY OF ENERGY AND MINES

# INFORMATION LETTER

MTA12.1

RESOURCE REVENUE BRANCH  
MINERAL TAXATION SECTION

**SUBJECT: GENERAL INFORMATION FOR PLACER GOLD MINE OPERATORS**

Effective January 1, 1999 amendments have been made to the *Mineral Tax Act* to simplify filing procedures for placer gold mine operators. A placer gold mine is a placer mine from which gold accounts for the majority of the placer minerals produced. This Information Letter outlines the new features of the *Mineral Tax Act* affecting placer gold mine operators.

Mineral Tax is a resource tax on all mine operators in British Columbia. It is administered through the *Mineral Tax Act* and provides for the Crown's financial share of mineral production. As of January 1, 1999 each placer gold mine operator will pay a mineral tax of 0.5% (one-half of one percent) of their proportionate share of mineral product sold in each calendar year.

**Filing Requirements:**

All corporations and individuals who operate a placer gold mine in British Columbia must file a Placer Gold Mine Mineral Tax Return annually. The only exception for filing a return is for individuals who operated a placer gold mine and **both** sold less than \$50,000 of placer minerals and produced less than \$50,000 (fair market value sales price) during the calendar year. There is no filing exception for corporations who operate a placer gold mine.

To avoid being assessed late filing penalties (\$25/day to a maximum of \$2,500 plus 5% of unpaid tax) Placer Gold Mine Mineral Tax Returns must be filed within three months after the calendar year end (by March 31<sup>st</sup>).

Effective January 1, 1999 the fiscal year for Mineral Tax purposes for all placer gold mines will be the calendar year. Any placer gold mine that before January 1, 1999 did not have a calendar year as the fiscal year of the mine will be required to file a Mineral Tax Return for the shortened period ending December 31, 1998. This return will be filed utilizing the pre-1999 rules specified in the *Mineral Tax Act* and its regulations.

**Payment of Mineral Tax:**

To avoid being assessed interest on unpaid tax all placer gold mine operators must pay all mineral taxes owing no later than three months after the calendar year end (by March 31<sup>st</sup>). Placer gold mine operators are no longer required to make instalment payments during the year.

Placer gold mine operators may wish to arrange for a refinery to remit mineral taxes on their behalf. Such arrangements are acceptable to the Ministry, however, operators are reminded that ultimate responsibility rests with the operator to ensure the amounts are submitted within the time frames specified above and that remittances are made for all gold sales whether they be to refineries or to other buyers.

**Special Return for Placer Gold Mines:**

Attached to this letter is a Placer Gold Mine Mineral Tax Return. It is a simplified return that must be used by placer gold mine operators for each calendar year after 1998. A separate return must be completed and filed for each mine operated in the year. If you or your accountant have any questions about the amendments to the *Mineral Tax Act* or how to complete the new tax return, staff at the Ministry of Energy and Mines will be pleased to assist you. They can be reached at 1-800-667-1182.

**For changes to the mailing list or additional copies, please contact:**

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Attachment