



MINISTRY OF ENERGY AND MINES

# INFORMATION LETTER

MTA15

RESOURCE REVENUE BRANCH  
MINERAL TAXATION SECTION

**SUBJECT: 1999 AMENDMENTS TO THE MINERAL TAX ACT**

On July 15, 1999 the *Miscellaneous Statutes Amendment Act (No. 2), 1999* and the *Taxation Statutes Amendment Act, 1999* received royal assent. Both of these acts included amendments to the *Mineral Tax Act* (the "Act"). The following is a summary of the Mineral Tax amendments enacted on July 15:

**Bill 74 - Miscellaneous Statutes Amendment Act**

1. Reclamation Tax Credit

Under certain circumstances, an operator may claim a Mineral Tax credit in respect of reclamation work. The rules pertaining to eligibility for a Reclamation Tax Credit are contained in Section 5(2) of the *Act*. Previously, the tax credit could only be claimed if reclamation work was conducted during the year and there were no funds relating to the reclamation work done remaining in a Mining Reclamation Fund. The second requirement is no longer necessary since the enactment of 1998 amendments to the *Mineral Tax Reclamation Regulation* requiring that amounts held in Mining Reclamation Funds relating to reclamation work done must be deducted in the calculation of the Reclamation Tax Credit. Section 5(2) has been amended to allow a Reclamation Tax Credit to be claimed if the operator of the mine has been actively engaged in reclamation during the fiscal year of the mine, regardless of whether there are related amounts remaining in a Mining Reclamation Fund. Please refer to *Information Letter MTA 13 - 1998 Amendments - Reclamation Costs* for details of the 1998 amendments to the *Mineral Tax Reclamation Regulation*.

2. Appeals

Section 26 of the *Act* contains instructions on how an operator may file an appeal in respect of a Mineral Tax assessment. This section has been amended to require notices of appeal to be sent by registered mail directly to the Mineral Tax Review Board as well as to the Commissioner of Mineral Tax. The current address of the Mineral Tax Review Board is:

Mineral Tax Review Board  
3<sup>rd</sup> Floor, 888 Fort Street, Victoria, B.C. V8W 1H8  
Telephone: (250)995-3356 - Facsimile: (250)381-4623

**Bill 52 - Taxation Statutes Amendment Act**

1. Placer Gold Mines

Effective January 1, 1999, amendments have been made to simplify filing procedures for placer gold mine operators. For 1999 and future years, Mineral Tax for placer gold mines will be calculated as one-half of one percent of sales for each calendar year. Mineral Tax for placer gold mines will be due on or before March 31 following the end of the calendar year.

For more details of the amendments to the *Act* pertaining to placer gold mines please refer to *Information Letter MTA 12.1 - General Information for Placer Gold Mine Operators*.

2. Filing Requirements

Section 12 of the *Act* contains the rules relating to the filing of Mineral Tax returns. Section 12 has been amended to clarify that operators must continue to file returns for a mine that has ceased operations until all of the inventories and all of the assets used in the operation of the mine have been sold or otherwise disposed of.

3. Assessments

The provisions relating to assessments of Mineral Tax returns are found in Section 21 of the *Act*. Section 21 has been amended to allow the Commissioner of Mineral Tax to assess tax, interest and penalties based on an estimate in the event that a Mineral Tax return is not filed as required under Section 12.

4. Appeals

If an operator objects to an assessment under the *Act*, a notice of appeal may be submitted to the Mineral Tax Review Board. Upon receipt of a notice of appeal, the Mineral Tax Review Board must examine the appeal, evaluate the facts and arguments presented by both the appellant and the Commissioner of Mineral Tax and confirm or amend the assessment. Section 27 of the *Act* allows the appellant or the Commissioner to appeal a decision of the Mineral Tax Review Board to the Supreme Court by way of stated case on a question of law raised before the board. Section 27 has been amended to impose a 90-day time limit on appeals of decisions of the Mineral Tax Review Board to the Supreme Court.

Attached is an unofficial consolidation of the *Mineral Tax Act* incorporating the July 15, 1999 amendments. This working copy has been prepared in our office for the convenience of mine operators and other users of the *Mineral Tax Act* until such time as the official consolidation is issued by the Queen's Printer for British Columbia. Where any conflict exists between this working copy and the legal wording of the statute, the latter shall prevail.

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

Cindy Head

Resource Revenue Branch

Ministry of Energy and Mines

PO Box 9328 Stn Prov Gov't, Victoria, B.C. V8W 9N3

Telephone: (250)952-0192 or 1-800-667-1182 FAX: (250)952-0191

or visit our website at [www.em.gov.bc.ca](http://www.em.gov.bc.ca)

Ross Curtis  
A/Assistant Deputy Minister  
Resource Development Division

07/23/99

Preceded by: MTA12.1