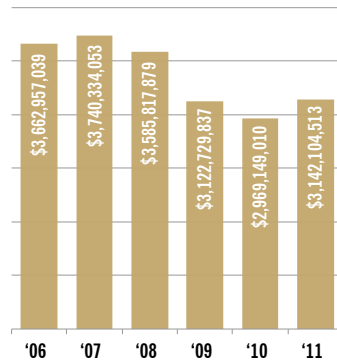


# NEVADA MINING INDUSTRY: SUMMARY OF THE INDUSTRY'S FISCAL IMPACT ON NEVADA

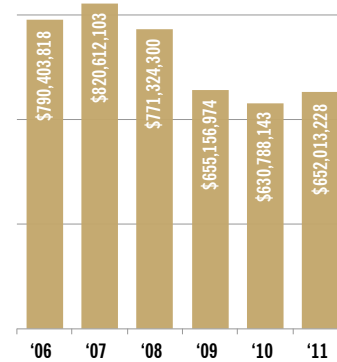
Even as most other state revenue sources remained down in 2011, net proceeds of minerals taxes paid by the mining industry in Nevada increased significantly, growing 43.8 percent year-over-year.

Applied Analysis was retained by the Nevada Mining Association (the "NVMA") to review and analyze the economic impacts associated with mining operations in Nevada as well as the mining industry more generally. This brief is the third in the series of reports; it is specific to the fiscal impacts of the mining industry in Nevada.

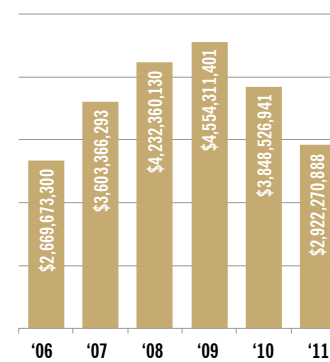
**Nevada Sales Tax Collections**



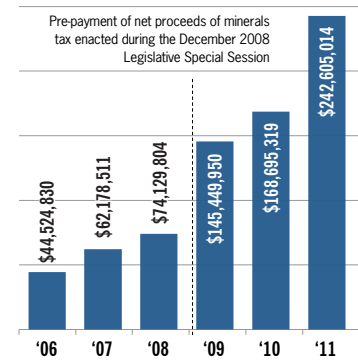
**Nevada Gross Gaming Percentage Fee Collections**



**Estimated Ad Valorem (Property) Tax Revenues**



**Nevada Net Proceeds of Minerals Tax Collections**

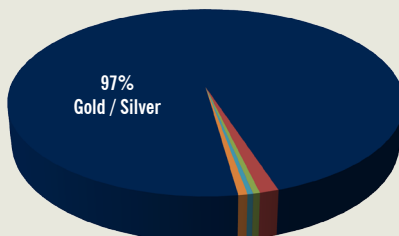


Source: Nevada Department of Taxation, Nevada Gaming Control Board and Applied Analysis

Gold and silver mine operation reports one of the lowest rates of deductions among mineral types in calculating the ratio of net proceeds to gross proceeds, resulting in a higher effective tax rate. This is partially attributable to a relatively higher gross yield on gold (relative to cost) compared to other minerals.

**Share of Net Proceeds Tax Generated**

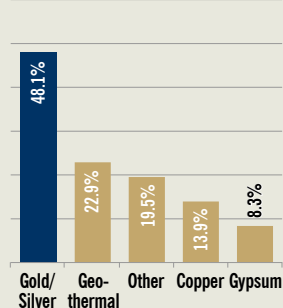
By Specific Mineral (2011)



■ Gold/Silver ■ Geothermal ■ Oil  
■ Copper ■ Gypsum ■ Other

**Ratio of Net Proceeds to Gross Proceeds**

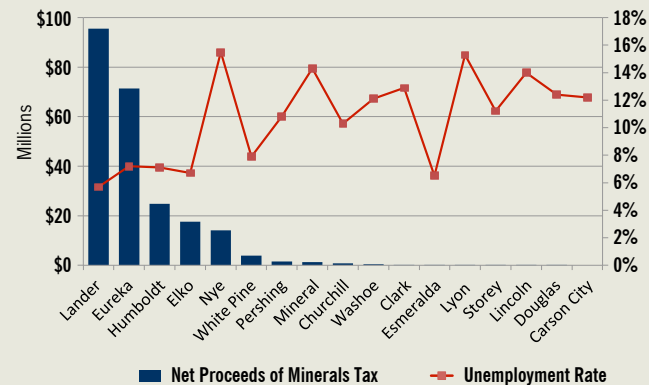
(2011)



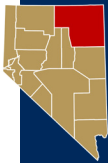
Source: Nevada Department of Taxation

**Relationship between Net Proceeds of Minerals Tax and Unemployment Rate**

(Nevada Counties)



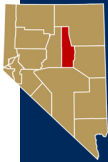
In addition to the fiscal benefit, note that the lowest unemployment rates in the state are found in the counties with the highest net proceeds of minerals tax.



## ELKO COUNTY

Ten Highest Taxpayers

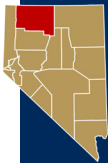
TAXPAYER	SEC/UNSEC ROLL
Peppermill Properties	\$41.4M
Union Pacific Railroad	\$39.3M
Sierra Pacific Power	\$38.8M
Barrick Goldstrike	\$25.2M
Wendover Casinos Inc	\$23.6M
CTC Of Nevada	\$19.3M
Newmont	\$18.3M
Cactus Petes Inc	\$16.3M
Elko Acquisitions LLC	\$10.1M
PHC-Elko Inc	\$9.2M



## EUREKA COUNTY

Ten Highest Taxpayers

TAXPAYER	SEC/UNSEC ROLL
Newmont	\$341.1M
Barrick Goldstrike	\$128.5M
Sierra Pacific Power	\$15.3M
Homestake Mining (Barrick)	\$14.0M
Union Pacific Railroad	\$7.6M
AT&T Communications	\$4.2M
Elko Land & Livestock (Newmont)	\$3.3M
Small Mine Development LLC	\$3.1M
Mt Wheeler Power	\$2.6M
Barroid / Haliburton	\$2.0M



## HUMBOLDT COUNTY

Ten Highest Taxpayers

TAXPAYER	SEC/UNSEC ROLL
Newmont	\$125.8M
Turquoise Ridge	\$40.4M
Sierra Pacific Power	\$38.9M
Idaho Power Co	\$34.6M
Marigold Mining Co	\$23.2M
Union Pacific Railroad	\$21.7M
Hycroft Resources and Development	\$10.8M
Southwest Gas	\$10.6M
NGP Blue Mountain	\$7.5M
Winnemucca Farms	\$6.0M



## LANDER COUNTY

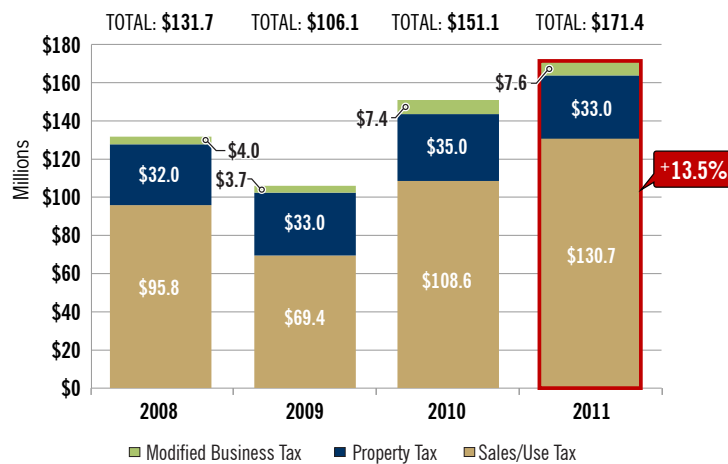
Ten Highest Taxpayers

TAXPAYER	SEC/UNSEC ROLL
Barrick Gold Mines	\$140.6M
Newmont Mining Co	\$100.3M
Sierra Pacific Power	\$33.4M
Union Pacific Railroad	\$6.2M
AT&T Communications	\$5.2M
Beowawe Power	\$3.9M
Alaska Airlines	\$2.3M
Milpark	\$2.0M
Dyno Nobel, Inc	\$1.7M
Southwest Gas	\$1.6M

Source: Nevada Department of Taxation

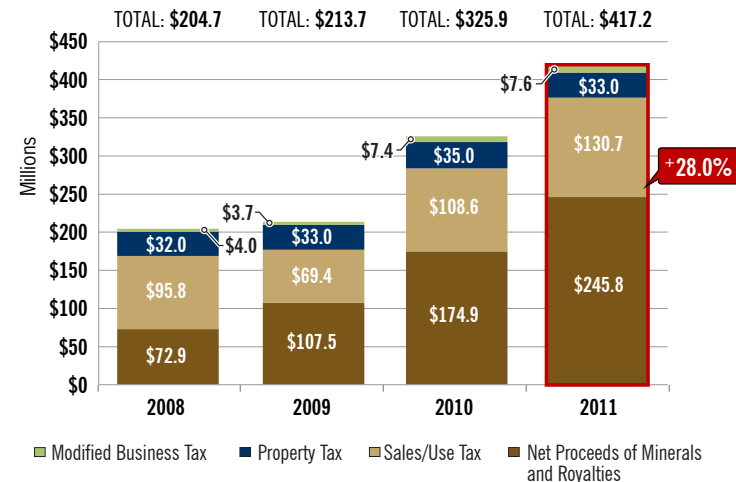
## Estimated Total (Non-Mining Specific) Major Taxes Paid

By Nevada Mining



## Estimated Total (Mining and Non-Mining Specific) Major Taxes Paid

By Nevada Mining



In 2011, the Nevada mining industry paid \$171.4 million in non-industry specific taxes, an increase of 13.5 percent over the previous year.

**INCLUDING INDUSTRY-SPECIFIC TAXES, THE NEVADA MINING INDUSTRY PAID \$417.2 MILLION IN 2011, AN INCREASE OF 28.0 PERCENT COMPARED TO LAST YEAR.**

Source: NVMA Member Survey (2011); Natural Resource Industry Institute (2008 – 2010), Nevada Department of Taxation and industry surveys

## Estimated Tax Payments per Capita

By County

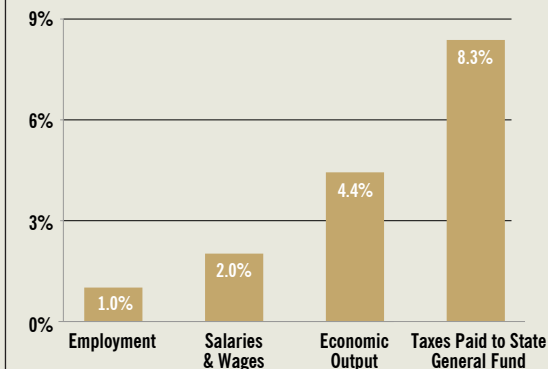
Eureka	\$21,971
Lander	\$10,851
White Pine	\$1,650
Humboldt	\$1,401
Elko	\$1,132
Clark	\$737
Nye	\$392
Churchill	\$260

Includes the following taxes paid to the state:

- Net Proceeds of Minerals
- State Sales Tax
- Collection Fee on Local Sales
- Centrally Assessed Property
- Gaming Taxes/Licenses
- Cigarette Tax
- Liquor Tax
- Government Services Fee

Source: Great Basin College, Elko County; Includes Nevada counties in the Great Basin College Service Area

## Nevada's Mining Industry Represents:



**METHODOLOGY** This research brief utilized the best available data to summarize the fiscal impacts of the mining industry in Nevada. It relies heavily on data reported by third-party data providers; and, although we have no reason to doubt the accuracy of these data, they have not been subjected to any auditing or review procedures by AA. Data was obtained from the Nevada Department of Taxation, U.S. Bureau of Labor Statistics, Nevada Gaming Control Board, Natural Resource Industry Institute, and the 2012 Nevada Mining Association member survey conducted by Applied Analysis and Discovery Nevada.