

STATE OF NEW MEXICO
TAXATION AND REVENUE DEPARTMENT



* 72040200 *

REPORT OF SEVERANCE TAX - MOLYBDENUM

Mail the original of this report and the total amount due to the State of New Mexico, Taxation and Revenue Department, P. O. Box 2308, Santa Fe, NM 87504-2308 on or before the 25th day of the month following the month in which the taxable event occurs.

Phone: (505) 827-0807

Name
Address
City, State and Zip Code

TAX PERIOD

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Federal Employer Identification Number (FEIN)
(Refer to this number in all correspondence)

COMPUTATION OF TAX (Section 7-26-4(D) NMSA 1978). See reverse.

Location (mine, mill, pit, quarry _____)

1. Quantity (tons or lbs.).....	1	
2. Posted field / market price	2	
3. Gross value (line 2 x line 1)	3	
4. Deductions: 50% of line 3 for hoisting, crushing, loading, beneficiating / processing cost.....	4	
5. Taxable value (line 3 less line 4)	5	
6. TAX DUE (line 5 x 1/8%)	6	
7. PENALTY FOR LATE FILING (2% of line 6 per month or partial month up to 20%).....	7	
8. INTEREST FOR LATE FILING (Section 7-1-67 NMSA 1978).....	8	
9. TOTAL OF TAX DUE, PENALTY AND INTEREST PAYABLE (add lines 6, 7 and 8)	9	

I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete.

Signature of Taxpayer or Agent

Title

Phone No.

Mo / Day / Year

STATE OF NEW MEXICO

EXCERPTS FROM: SEVERANCE TAX AND TAX ADMINISTRATION ACT

7-26-1. SHORT TITLE - Sections 7-26-1 through 7-26-8 NMSA 1978 may be cited as the "Severance Tax Act."

7-26-2. DEFINITIONS - As used in the Severance Tax Act:

- A. "department" means the taxation and revenue department, the secretary of taxation and revenue or any employee of the department exercising authority lawfully delegated to that employee by the secretary.
- B. "natural resource" means timber and any metalliferous or nonmetalliferous mineral product, combination or compound thereof but does not include oil, natural gas, liquid hydrocarbon, individually or any combination thereof, or carbon dioxide;
- C. "severer" means any person engaging in the business of severing natural resources that the person owns or any person who is the owner of natural resources and has another person perform the severing of such natural resources;
- D. "severing" means mining, quarrying, extracting, felling or producing any natural resources in New Mexico;
- E. "owner" , when used in connection with the severing of any of the natural resources covered by the Severance Tax Act under any lease or contract with the state or United States, includes any person having the right to sever those resources; and
- F. "director" or "secretary" means the secretary of taxation and revenue.

7-26-3. IMPOSITION OF TAX; DENOMINATION AS "SEVERANCE TAX."

For the privilege of severing natural resources, there is imposed on any severer of natural resources in New Mexico an excise tax on the taxable value or the quantity of natural resources severed and saved by or for him as determined under, and at the rates provided in the Severance Tax Act (7-26-1 to 7-26-8 NMSA 1978). The tax imposed by this section shall be known as the "severance tax".

7-26-4. DETERMINATION OF TAXABLE VALUE OF NATURAL RESOURCES;

- A. Except as otherwise provided in Subsections C,E,F, and G of this section, the "taxable event" is the severance of a natural resource whose taxable value is determined under the provisions of this section.
- B. For all natural resources except potash or potash products described under Subsection C of this section, molybdenum or molybdenum products described under Subsection D of this section, copper, lead or zinc described in Subsection E of this section, gold described in Subsection F of this section, silver described in Subsection G of this section, coal and uranium, the gross value of the natural resource is the sales value of the severed and saved product at the first marketable point without any deductions, except that:
- (1) for those products having a posted field or market price at the point of production, the gross value is its posted field or market prices, except that the gross value of potash is forty percent of the posed field or market prices, less those expenses of hoisting, crushing and loading necessary to place the severed product in marketable form and at a marketable place, but the allowable deductions for hoisting, loading and crushing shall not exceed fifty percent of the posted field or market price;
- (2) for those products that must be processed or beneficiated before sale, the gross value is the sales value after deducting freight charges from the gross value is the sales value after deducting freight charges from the point of severance to the point of first sale and the cost of processing or beneficiation.
- D. The gross value of each type of molybdenum and molybdenum product requiring processing or beneficiation, regardless of the form in which the product is actually sold, shall be the value of molybdenum contained in concentrates shipped or sold from a mine site, but in no event a value less than the value that bona fide sales which reflect current market conditions would yield for the same quantity of molybdenum products contained in concentrates at the mine site, less fifty percent of that value as a deduction for the expenses of hoisting, loading, crushing, processing and beneficiation.

E. The taxable value of all severed natural resources except coal and uranium is the gross value of the severed resource determined under this section less rental or royalty payments belonging to the United States or the state.

7-26-5. TAX RATES ON SEVERED NATURAL RESOURCES EXCEPT COAL AND URANIUM.

The severance tax is imposed at the following rates on the taxable value determined under Section 7-26-4 NMSA 1978 of the following natural resources:

A. potash.....	2 ½%
B. copper	½%
C. timber	1/8%
D. pumice, gypsum, sand, gravel, clay, fluorspar and other nonmetallic minerals.	1/8%
E. lead, zinc, thorium, molybdenum, manganese, rare earth and other metals.....	1/8%
F. gold and silver.....	1/5%

7-26-8. DATE PAYMENT OF TAX DUE

The severance tax is to be paid on or before the twenty-fifth day of the month following the month in which the taxable event occurs.

PENALTY AND INTEREST PROVISIONS OF THE TAX ADMINISTRATION ACT

7-1-67. INTEREST ON DEFICIENCIES

- A. If any tax imposed is not paid on or before the day on which is becomes due, interest shall be paid to the state on such amount from the first day following the day on which the tax becomes due, without regard to any extension of time or installment agreement, until it is paid.
- B. Interest shall be due to the state based upon Section 7-1-67 NMSA 1978.
- C. Notwithstanding of any of the above, if demand is made for payment of any tax, including accrued interest, and if such tax is paid within ten days after the date of such demand, no interest on the amount so paid shall be imposed for the period after the date of the demand.
- D. Nothing in this section shall be construed to impose interest on interest on the amount of any penalty.

7-1-69. CIVIL PENALTY FOR FAILURE TO PAY TAX OR FILE A RETURN

- A. In the case of failure, due to negligence or disregard of rules and regulations, but without intent to defraud, to pay when due any amount of tax required to be paid or to file a return regardless of whether or not any tax is due, there shall be added to the amount two percent per month of a fraction thereof from the date the tax was due or from the date the return was required to be filed, not to exceed twenty percent thereof, as penalty, but the five dollar (\$5.00) minimum penalty shall not apply to taxes levied under the Income Tax Act or taxes administered by the Oil and Gas Accounting Division pursuant to Section 7-1-2.1 NMSA 1978.
- B. In the case of failure, with intent to defraud the state, to pay when due any amount of tax required to be paid, there shall be added to the amount fifty percent thereof, or a minimum of twenty-five dollars (\$25.00), whichever is greater, as penalty.

NOTE: Report SEV-4 is to be used to report Molybdenum only.