

IRON ORE TAX (EXCERPT)
Act 68 of 1963

207.272 Specific taxation of underground beneficiated iron ore; computation formula; following completion of first agglomerating facility.

Sec. 2.

(1) Beginning with the first full calendar year following the completion, after the effective date of this act, of the first local agglomerating facility, except that for the purpose of determining the first facility, and no other, a facility which also comes within the provisions of Act No. 77 of the Public Acts of 1951, as amended, being sections 211.621 to 211.625 of the Compiled Laws of 1948, shall not be considered as the first facility:

(a) Whenever 25% or more of the annual shipments from an ore property is agglomerated in a local agglomerating facility, the ore property and the agglomerating facility, together with any beneficiating facility used in connection therewith, shall in that year and thereafter be subject to a specific tax in an amount equal to the average annual total shipments from such ore property during the preceding 5-year period, multiplied by 2% of the mine value of base grade ore f.o.b. the ore property; or

(b) Whenever 75% or more of the annual shipments from an ore property to which subdivision (a) of this section does not apply is agglomerated in accordance with seasonal inventory practices in an agglomerating facility which is not located within a radius of 100 miles of the point of extraction, the ore property shall in that year and thereafter be subject to a specific tax in an amount equal to the average annual total shipments from such ore property during the preceding 5-year period, multiplied by 3% of the mine value of base grade ore f.o.b. the ore property; or

(c) Whenever 75% or more of the annual shipments from an ore property to which neither subdivision (a) nor subdivision (b) of this section applies is beneficiated in a local beneficiating facility, so that the ore so beneficiated would pass through a 7/8-inch screen, the ore property and the beneficiating facility shall in that year and thereafter be subject to a specific tax in an amount equal to the average annual total shipments from the ore property during the preceding 5-year period, multiplied by 3% of the mine value of base grade ore f.o.b. the ore property; or

(d) Whenever any portion less than 25% of the annual shipments from an ore property to which subdivision (b) or (c) of this section would otherwise apply is agglomerated in a local agglomerating facility, then the ore property and the agglomerating facility, together with any beneficiating facility used in connection therewith, shall in that year be subject to a specific tax in an amount equal to

(i) the average annual total shipments from such ore property during the preceding 5-year period, multiplied by the proportion which the shipments from such ore property agglomerated in a local agglomerating facility in the tax year bear to the total shipments from such ore property in the same year, multiplied by 2% of the mine value of base grade ore f.o.b. said ore property, and

(ii) the average annual total shipments from such ore property during the preceding 5-year period, multiplied by the proportion which the shipments from such ore property not agglomerated in a local agglomerating facility in the tax year bear to the total shipments from such ore property in the same year, multiplied by 3% of the mine value of base grade ore f.o.b. said ore property.

(2) For purposes of this section, years in which there were no shipments shall be excluded in computing average annual shipments but only until the ore property has a 5-year record of shipments.

History: 1963, Act 68, Eff. Sept. 6, 1963