

**UTAH STATE TAX COMMISSION
PROPERTY TAX DIVISION
PT-31CLL INSTRUCTIONS
CAPITALIZED NET REVENUE (CNR)**

The CNR method of valuation utilizes historical income and costs based on the taxpayer's actual operating history for the past five years, or less if operating less than five years.

Please fill in Utah Tax Account Name, Utah Tax Account ID, Unit Name, Unit Number (if known) and County unless previously filled out by the Tax Commission. If the net revenues have been filed for the previous years with the Property Tax Division, only income and costs for the past year are needed. If this mine has been active in the previous five years and a CNR Questionnaire has not been filed for those years, it is necessary to file a questionnaire for each of those years. Only costs directly related to, and necessary for, the mining operations are allowed. The Taxpayer is required to complete Lines 1 through 20 and attach applicable schedules. Each non-contiguous location is considered to be a separate mine and should be reported separately.

1. **Gross Mineral Sales** - Enter details on Schedule 1: each mineral type sold, number of units sold, unit type (ton, yard, oz., etc.), value per unit and income received. Enter the total from Schedule 1 on Line 1 of the Income Questionnaire. (Please provide a detailed listing of each mineral type sold or consumed as shown on your company's product list. As an example, for aggregates list size of rock, washed and unwashed sand, bank run, etc; for other minerals identify the type of rock or stone, crushed or pallet, etc.)
2. **Self-Consumed Minerals - Using Representative Sales** - Enter details on Schedule 2: each mineral consumed, number of units consumed, unit type (ton, yard, oz., etc.), value per unit and the value for each type of mineral. Enter the total from Schedule 2 on Line 2 of the Income Questionnaire. The unit price should be based on representative unit sales prices of like minerals, determined from actual sales of like minerals sold by the taxpayer, actual sales of like minerals by other taxpayers, and/or posted prices of like minerals. (Please list same detail as in Gross Mineral Sales.)
3. **Premiums, Bonuses and Subsidies** - The total amount received for premiums, bonuses and subsidies, etc., from the federal government or any other source, concerning settlement payment, whether paid for the mineral or the production thereof. If an exemption is claimed for any amount, such claim may be stated on the return or in a letter accompanying the return.
4. **Interest Income** - All interest received relating to the mining operation should be reported.
5. **Other Income** - Include all income received relating to the mining operation which is not listed on Lines 1 through 4 above. Examples would include transportation reimbursements and royalties received. Show royalty details on Schedule 5. Gains on the sale of assets should not be included.
6. **Total Gross Income** - Total of lines 1 through 5.
7. **Salaries and Wages** - Only the portion of management salaries and employee wage that pertains to the mining operation can be used as an allowable cost (As reported on IRS W-2 wage and tax statements).
8. **Payroll Taxes and Employee Benefits** - Include all fringe benefits and taxes associated with allowable labor costs.
9. **Workers Compensation Insurance** - The amount paid for workers compensation insurance, or in lieu of that compensation insurance the actual amount of compensation for injured employees, and the compensation paid to the dependents of employees, required to be paid under the Worker's Compensation law of Utah.

10. **General Insurance** - General insurance policy premiums paid are allowed. Do not include self-insurance amounts that may be listed on company records.
11. **Sales and Use Taxes** - Actual sales tax paid, if included in reported income.
12. **Supplies and Tools** - Cost of supplies and tools purchased.
13. **Utilities** - Cost of utilities paid, directly pertaining to the mining operation.
14. **Maintenance and Repairs** - Maintenance and repair costs should be listed here. Major repair costs, such as engine replacement, that are capitalized should be included on the additions and deletions of personal property and improvements form.
15. **Office and Accounting** - Only the portion of the office and accounting cost pertaining to the mining operation is allowed.
16. **Legal Fees** - Legal fees pertaining to the mining operation.
17. **Exempt Royalties** - Federal, State, City, Local Governments, and Indian Nations royalty payments are allowed. List recipient's name, address and telephone number. (Schedule 17) Royalties paid to individuals or corporations are not deductible.
18. **Fuel** - Costs of fuel utilized in the mining operation are allowed. Do not include fuel that is part of Line 19 (Transportation).
19. **Transportation** - Transportation costs are allowed to the point of sale or self-consumption. Match related income and expenses.
20. **Miscellaneous Costs** – All items must be explained on Schedule 20 or they will not be allowed.
Allowed: Other costs identified by Administrative Rule R884-24P-7, which are not listed above, such as engineering, sampling and assaying, treatment, development, equipment rental and environmental cleanup, or other costs that apply directly to the operation of the mining property.
Not Allowed: Interest expense, Federal and State income taxes and property taxes are included in the capitalization rate and are therefore not allowed as an expense. Losses on the sale of assets, bank charges, depletion, amortization, corporate overhead or other costs not directly related to the mining operation.
21. **Subtotal** – Total of lines 7 through 20.

Deductibles: If assets are used in the mining operation and are taxed to someone else, or the Utah taxes have already been paid/or will be paid on them, such as leased land, improvements, equipment and/or licensed vehicles, the value of these assets will be subtracted from your income valuation. These deductibles need to be reported on Form PT-30.

Note: Depreciation will be calculated by the Property Tax Division using the straight-line method: Seven (7) years for equipment and thirty-nine (39) years for improvements.

NOTICE: Beginning 2016, the PT-31, and required documentation, should be attached with your PT-30 form to your return on TAP (Taxpayer Access Point).

<https://tap.tax.utah.gov/taxexpress>