

Mineral Rights Tax under Mineral Rights Taxation Act, 1983

Follow this link to the Saskatchewan Queen's printer for the most current version of the above referenced regulations:

<http://www.qp.gov.sk.ca/documents/English/Statutes/Statutes/M17-1.pdf>

Questions and Answers relating to mineral rights tax:

1. What is the mineral rights tax?

Under *The Mineral Taxation Act, 1983*, the mineral rights tax is imposed on any freehold mineral rights owned within the rural areas of the province of Saskatchewan at \$1.50/acre and is subject to a number of exemptions.

2. Who does the mineral rights tax apply to?

The tax applies to mineral rights held by a corporation, company, syndicate, trust, firm or partnership named as the owner of a mineral title.

3. When is the mineral rights tax assessed?

The tax is assessed on May 1 of each taxation year (January 1 to December 31). The owner named on the mineral title as of May 1 will receive an invoice prior to June 1.

4. When is the payment due?

In order to avoid late payment fees, payment must be received before June 30 of the tax assessment year. After June 30, interest charges are applicable at a minimum of \$10 per invoice or 1.5% on any unpaid portion.

5. What will happen if I do not pay the invoice?

Monthly statements will be mailed and if the invoice remains unpaid, forfeiture of the mineral rights to the Crown under Section 18 of *The Mineral Taxation, 1983* will eventually occur.

6. I have been billed twice...there is a duplicate land location on my invoice!

There can be more than one title issued for the same location, ex: a Coal title and an All Other Mines and Minerals title. The mineral rights tax applies to each title independent of land location.

7. There is no production on the land. Do I still have to pay the tax?

The tax applies to ownership of the mineral rights. The presence of production or lack thereof does not impact the assessment of the mineral rights tax.

8. I dissolved my company, why am I receiving the tax?

Once a corporation is dissolved through the Information Services Corporation (ISC) and our office is provided with the corporate registry dissolution certificate, the mineral rights tax will no longer be assessed.

9. I sold my land, why am I still getting taxed?

Often, only the surface titles are being sold and the mineral titles remain under the corporate name. If a corporation is uncertain about ownership of the mineral rights, verification can be provided by contacting the Mineral Rights Administrator (see 5) or ISC at 1-866-275-4721.

10. I transferred the land from a corporation to individuals, why is the company still getting taxed?

Whenever mineral titles are transferred to an individual who is a director/president/shareholder or other person connected to the corporation, it is considered a non-arm's length transfer. Therefore, the obligation to pay mineral rights tax remains with the corporation (See Section 17 of the *Mineral Right Taxation Act, 1983*).

11. I phoned your office and found out that a billing error occurred and I am not obligated to pay the mineral rights tax. This occurred a few months ago and I still have a statement showing that I owe!

Due to occasional back-logs, it may take longer than usual to cancel the statement. If you continue to receive a statement in the mail, please call ECON's help desk at 1-844-213-1030 or send an email to: er.support@gov.sk.ca.

12. We are a trust company and we should not be paying the mineral rights tax because we are exempt, why did we get an invoice?

If Appendix Form A has not been completed and submitted to our office, an exemption cannot be applied (see excel spreadsheets to be used as Appendix Form A). Trust companies must be registered in Saskatchewan to be eligible for exemptions. If not yet registered as a licensed trust corporation under *The Trust and Loan Corporations Act, 1997*, contact the Consumer Credit Division at 1-306-787-6700.

13. Who can I talk to if I have more questions?

The mineral rights tax administrator can provide additional information on the mineral rights tax and associated exemptions and can be reached at 1-844-213-1030 or by email @ er.support@gov.sk.ca for further questions.