



ADMINISTRATIVE RULES OF MONTANA

42.25.1119 SPECIAL DEDUCTIONS

- (1) Fire, boiler, machinery, and public liability insurance will be allowed as a deduction to the extent that it is insurance for equipment and buildings in the mine, and equipment and buildings in the reduction works, to the extent the insurance for the reduction works is not beyond the point of valuation. No insurance costs will be allowed for offices or other administrative buildings. Where buildings are used both for administrative purposes and for the mining operation, the department will allocate, on a case-by-case basis, the costs between administration and mining. The department will allow only the insurance expenses attributable to the mining operation.
- (2) The cost of welfare and retirement fund payments provided for in wage contracts shall be deductible only for those employees actually involved in the mining or reduction work up to the point of valuation.
- (3) The cost of testing minerals extracted, in satisfaction of federal or state health and safety laws or regulations, will be allowed for the mines and reduction works up through the beneficiation process to the extent that the costs are incurred for testing the product to the point of valuation.
- (4) The cost of security, in and around the mine and including the cost of security around the mill or reduction works in Montana, shall be deductible provided these costs are not incurred beyond the point of valuation.
- (5) The cost of assaying and sampling for extracted minerals will be allowed to the extent that they are a part of processes that bring the mineral to the point of valuation.
- (6) Engineering and geological services will be allowed as described in 15-23-503, MCA.
- (7) The cost of labor, supplies, and equipment used to reclaim the mine site are deductible. If during the process of reclamation, other costs are incurred that result in an improvement in and about the working of the mine, those costs will be amortized over a ten-year period. The deductions provided in this section are allowable beginning in the 1985 production year.

Authorizing statute(s): Sec. 15-23-108, MCA

Implementing statute(s): Sec. 15-23-502 and 15-23-503, MCA

History: NEW, 1983 MAR p. 1835, Eff. 12/16/83; AMD, 1986 MAR p. 1080, Eff. 6/27/86; AMD and TRANS, from ARM 42.22.1119, 1986 MAR p. 2072, Eff. 12/27/86; AMD, 2000 MAR p. 2988, Eff. 10/27/00.