

Time for Nevada’s gold mines to start paying their fair share

“Newmont Reports Record Annual Revenues in 2008 of \$6.2 Billion; 50% Increase in Adjusted Net Income”

Newmont release, 2-9-09

► **The market capitalization of Nevada’s biggest gold mining corporations dwarfs that of gaming industry giants:**

- Barrick Gold Corp.: \$25.7 billion
- Newmont Mining Corp: \$18.72 billion
- Wynn Resorts: \$2.37 billion
- Las Vegas Sands: \$1.46 billion
- MGM Mirage: \$959 million

► **Though the price of gold can swing wildly from year to year, the relative size of the mining industry’s tax deductions doesn’t.**

- In 2000 when the price of gold was \$300, industry deductions totaled about three-fourths of the value of production.
- In 2007 when the price of gold was \$695, industry deductions totaled about three-fourths of the value of production.

Mining corporations are aggressively going to take full advantage of the deductions they are allowed, no matter what the price of gold. They would be stupid not to.

► **After deducting 75 percent of the value of gold production in FY 2007-08, Nevada’s gold mines paid about \$30 million to the state’s general fund and roughly the same to counties for a total net proceeds tax bill of a little more than \$60 million. However...**

If deductions had been capped at...	...the industry would have paid roughly...	...to the state and to counties, for a total net proceeds tax of:
50 percent of gold value	\$60 million	\$120 million
25 percent of gold value	\$90 million	\$180 million
10 percent of gold value	\$107 million	\$214 million

‘Barrick founder sets no limit on gold price’

“Let’s say a small percentage of the world’s central banks – or simply the United Arab Emirates, by itself – do not believe President [Barack] Obama’s pledge that he will halve the US deficit by the end of his first term. They shift some of their dollar reserves into gold. **It would not take many decisions of this kind to push the price above \$2,000 per ounce.**”

Barrick Chairman Peter Munk,
Financial Times, 3-8-09

Many Nevadans can legitimately complain that the state’s unfair tax system is taking them for a ride.

Mining can’t.