

**TAX ON LOW GRADE IRON ORE (EXCERPT)**  
**Act 77 of 1951**

**211.623 Specific tax on mining property after production of ore; determination of mine value; "lower lake price" defined.**

Sec. 3.

(1) Beginning with the first calendar year after production of merchantable ore from a low grade iron ore mining property has been established on a commercial basis, the low grade iron ore mining property shall be subject to a specific tax equal to the average annual production in gross tons during the preceding 5-year period, multiplied by 1.1% or beginning December 31, 2001 through December 31, 2006 0.75% of the mine value per gross ton, based on the average natural iron analysis of shipments for that year of the iron ore pellets or of the concentrated or agglomerated products. A year in which production did not take place shall be excluded in computing the average production but only until the property has a 5-year record of commercial production. Mine value is determined by subtracting from the published lower lake price of Lake Superior iron ore pellets, or the particular concentrated or agglomerated products as of December 31, for the subsequent calendar year, all the transportation and handling costs, including any tax charged for transporting or handling the iron ore pellets or products, from the mining property to Lake Erie ports.

(2) As used in this section, "lower lake price" means the base price of Lake Superior district iron ore pellets or of the particular concentrated or agglomerated products at rail of vessel at lower lake ports as published in "Iron Age" published in New York City, New York, and "Industry Week" published in Cleveland, Ohio. If either "Iron Age" or "Industry Week" is not published or does not publish a price, a replacement trade journal recognized and generally accepted as reliable by the iron ore industry shall be substituted. If "Iron Age" or "Industry Week" do not publish the same price, if 1 of the trade journals publishes 2 different prices, or if the replacement trade journal does not publish a price, the price shall be the generally prevailing market price at which iron ore pellets or concentrated or agglomerated products, of comparable quality and utility, are being offered for sale in comparable quantity by or on behalf of bona fide producers from sources in the continental United States or Canada.

**History:** 1951, Act 77, Imd. Eff. May 28, 1951 ;-- Am. 1959, Act 147, Eff. Mar. 19, 1960 ;-- Am. 1978, Act 537, Imd. Eff. Dec. 21, 1978 ;-- Am. 2002, Act 443, Imd. Eff. June 17, 2002

**Compiler's Notes:** Sec. 3, as amended by Act 324 of 1993, did not take effect pursuant to the terms of the act.