



Managing Property Tax Liabilities in the Mining Industry

"If you can't grow it, you have to mine it" is a famous saying that encapsulates the importance of minerals and metals in the modern world. The U.S. mining industry has been around for hundreds of years, and mined products are essential raw materials for every manufacturing industry today. Yet, rapidly changing market and geopolitical conditions routinely affect revenue streams. Increasing environmental regulations drive operational costs up, and government investment incentives in new mining processes and equipment improvements are critical in minimizing operating costs. Mining production ebbs and flows in direct correlation to these changes.

The era of critical minerals has also arrived, and it has created the most meaningful changes to the mining industry in decades. In the absence of knowledgeable monitoring and proper due diligence, today's continuously and rapidly changing industry conditions combined with dated and static state property tax assessment models have created a recipe for excessive property tax liabilities. Where the increase in tax is material, these excessive property taxes will negatively affect compound annual growth rate (CAGR), cash flows, and the income statement, which can be contributing factors to the decision to close a mine.

Meeting the Unique Challenges of the Mining Industry

Understanding the impact of the mining industry metrics and trends on each mineral's property tax obligation is essential to managing the property tax function and minimizing property taxes. Ryan has provided property tax services for some of the largest mining operations in the U.S. Our mineral-focused property tax solutions are designed to align with the unique characteristics of the mining industry and state property tax requirements. By working closely with your facility and corporate personnel, we can find opportunities for tax savings, minimize property tax liability, and ensure compliance with regulations.

Ryan has a proven history of delivering improved profitability and cash flow to companies in the mining industry through a suite of specialized property tax services. Our Property Tax team provides a comprehensive program specifically directed toward addressing the unique property tax challenges within the mining industry.

MINING SEGMENTS

WE SERVE:

COAL

**METAL ORES: URANIUM
COPPER, LEAD, AND ZINC**

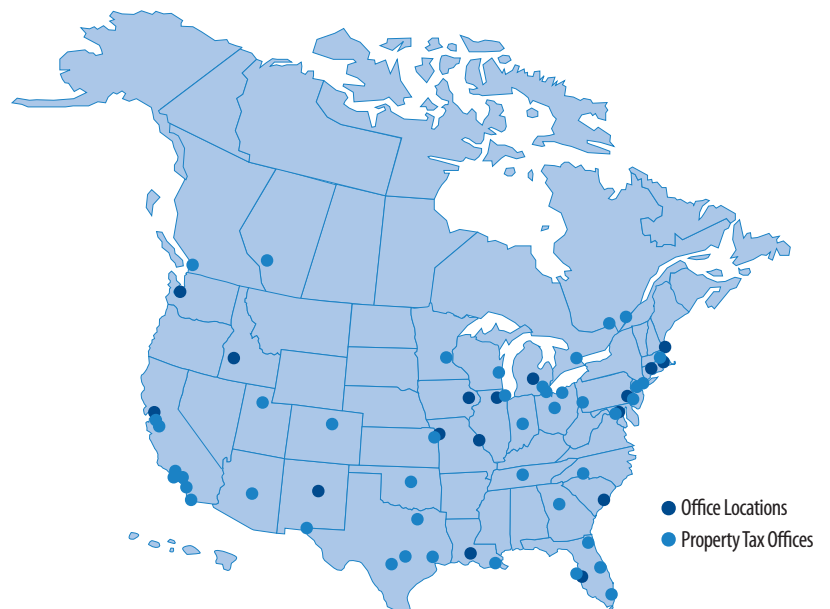
GEOTHERMAL ENERGY

**PRECIOUS METAL ORES:
GOLD AND SILVER**

**NONMETALLIC MINERALS:
LIMESTONE, CLAY, STONE,
GRAVEL, SAND,
AND GYPSUM**

EXTRACTION: OIL AND GAS

National Presence. Local Expertise. Industry Focus.



Current Trends in the Mining Industry

- **Government Financing:** Governments have established relationships with mining companies and provide funding to secure access to critical minerals, which impacts rates of return on mining assets, increases investment risk, and creates greater competition as governments provide incentives or interventions.
- **Decarbonization:** It will be essential to increase production to meet the demand for essential minerals needed for the ongoing transition to alternative energy and also to reduce carbon emissions by installing low-carbon technologies and utilizing mining processes that produce “green metals,” which provides access to sustainability-linked financing.
- **M&A Activity:** The mining industry will see an increase in M&A activity as a result of a “lack of clear strategy” among individual mining companies. The energy transition is another reason why mining companies are increasingly considering mergers and acquisitions. For some mining sectors, government regulation is forcing consolidations.
- **Remote and Off-Grid Operations:** Most large mine deposits have been discovered. New mines are increasingly moving to remote and off-grid locations that are more expensive and difficult to operate. Depending on the commodity and considering the lengthy timeframe to begin operations, remote operations could have a significant impact on market prices.
- **Smart Mining Technologies:** The mining industry is embracing technological advancements to improve operating efficiencies. Productivity improvements include automation of certain processes, remote monitoring, and improved data analytics to optimize operations, improve resource management, and decrease accidents, thereby lowering operating costs.
- **Government Regulation:** Regulation aimed at decarbonization has resulted in many mine closures, consolidations, and bankruptcies. This has not only impacted specific mine segments but also affects smaller or less profitable mines that aren’t able to finance decarbonization equipment or retooling. Thus, they won’t survive regardless of what sector they operate.

It’s important to note that real estate trends in the mining industry can vary depending on factors such as the type of minerals being extracted, geographical location, and market conditions. Staying informed about industry reports, expert analysis, and market trends specific to your region will provide the most accurate and up-to-date information on trends in the mining industry.

Our Strength Is Our People

As the largest property tax practice in the world, our international presence is backed by deep, local expertise and relationships to stay current with market trends. We leverage robust technology while providing 24/7 web access and a customized portal for accurate, real-time appeals, while also ensuring ongoing client communication, outstanding service, and continuous value. Our professionals are the most respected in the industry, having earned CMI, ASA, and MAI designations backed by many years of experience as former assessors, attorneys, appraisers, economists, engineers, and more.

The Ryan Advantage

Ryan clients benefit from a single point of contact, transparent and responsive communication, and web-based technology for continuous access to information. Our rigorous internal operating procedures ensure work quality and uniformity, so our clients can manage and mitigate risk while achieving maximum tax savings.

Key Indicators for Tax Reduction Opportunities:

- Price volatility and reduced market demand
- Assets operating at less than full capacity
- Current and/or pending governmental regulation
- Substantial yearly shifts in output
- Global competition
- Mine operating at a net loss
- Idled assets
- Fair value appraisal of assets
- Asset write-downs

Award-Winning Tax Services

For additional information

1.855.RYAN.TAX

ryan.com