

LEGAL ALERT

Senate approves mining royalty bill



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LEMBEYE

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The initiative contemplates a maximum potential tax burden of 46.5% for large mining companies with annual sales of more than 80,000 metric tons, and 45.5% for those operations with annual sales between 50,000 and 80,000 metric tons of fine copper. In both cases, this limit will be calculated on the adjusted mining operational taxable income. The bill also provides for a 1% ad valorem tax on producers of more than 50,000 metric tons of fine copper per year.

The royalty bill aims to increase tax collection, decentralize the country, and redistribute mining revenues more equitably. Three funds are created in favor of regional governments and mining municipalities for a total of 450 million dollars.

The bill will be discussed in the third constitutional procedure in the Chamber of Deputies.
