



Tax Information Publication

TIP

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2021 Heavy Minerals Tax Law Change

Heavy mineral producers are subject to tax as provided by law. The tax rate is adjusted each year based on the producer price index (PPI) for titanium dioxide as published by the United States Department of Labor, Bureau of Labor Statistics. The Florida Department of Revenue (Department) is required by law to publish the resulting tax rate on the production of heavy minerals by April 15 of each year.

As of May 2021, the last PPI update for titanium dioxide was in February 2019. Previous Florida law provided guidance on calculating an alternative tax rate if the index was discontinued, substantially revised, or the base year index of 100 was changed. However, prior law did not address how to calculate the tax rate if the PPI for titanium dioxide was not published for a specific time period.

Recent law changes direct the Department to use the tax rate from the preceding year if the PPI for titanium dioxide is discontinued, cannot be calculated, or a comparable index cannot be found. Since the PPI for titanium dioxide has not been updated since 2019 and a comparable index cannot be used that produces reasonably consistent results from the previous year, the tax rate from the previous year will be carried forward from 2020 to 2021.

Use the following tax rate when completing the *Declaration/Installment Payment of Estimated Solid Mineral Severance Tax* (Form DR-142ES):

Tax Year	Tax Rate
January 1, 2021 – December 31, 2021	\$3.80 per ton

Heavy Minerals Tax Rate Calculation:

$$\begin{array}{r} \$1.34 \text{ per ton (Base Rate)} \\ \times 2.83490 \text{ (Base Rate Adjustment)} \\ \hline \$3.80 \text{ per ton (2021 Tax Rate)} \end{array}$$

References: Section 211.3106, Florida Statutes; Chapter 2021-31, Laws of Florida

For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit the Department's website at floridarevenue.com or call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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