

General Mineral Rights Tax (MRT) Questions and Answers

1. What is MRT?

MRT is an annual tax applicable to freehold (privately owned) mineral titles whether or not the minerals are in production. The surface titles are not subject to MRT. Please visit [Mineral Rights](#) website for additional information.

2. Who pays MRT?

MRT is assessed on all freehold mineral title owners under [The Mineral Taxation Act, 1983](#) (the Act). The following are generally exempt from paying MRT:

- Individuals with five nominal sections (1,295 hectares) or less of mineral rights;
- Approved Agricultural Corporations with up to five nominal sections (1,295 hectares) of mineral rights;
- Trust Companies holding a valid licence under *The Trust and Loan Corporations Act, 1997* that apply for a Trust Corporation Exemption on behalf of their individual clients;
- Mineral Rights included in railway operations;
- Mineral Rights within the boundaries of a city, town, village or northern municipality;
- Mineral Rights on subdivided lots intended for residential, business or cemetery purposes; and,
- Mineral Rights purchased under the terms of a Treaty Land Entitlement Framework Agreement.

3. Why MRT administration moved to the [Integrated Resource Information System \(IRIS\)](#)?

MRT administration moved to IRIS in 2022 as the existing MRT administration systems had reached end-of-life. The move to IRIS offered several benefits including:

- **Structured Applications:** Online applications for Agricultural and Trust Corporations exemptions provide clients with a faster and streamlined process;
- **Self-service:** IRIS allows clients to view and download the tax assessments, including associated mineral titles. Clients have access to current and historical invoices (from 2022 onwards) and can sign up for automated notifications;
- MRT administration into IRIS enables the use of improved data security features and modern system safeguards;
- IRIS is a secure electronic business platform used extensively by industry clients, representing approximately 70 per cent of annual MRT billings; and,

- A direct feed of mineral title data from Information Services Corporation (ISC) will reduce manual effort and result in fewer discrepancies between invoices and client data.

4. How is MRT calculated?

The MRT rate is \$3.70 per taxable hectare, applied to each mineral title. For each mineral title, ownership share of the taxable portion of mineral parcel area is taken into consideration. Example:

- 100 per cent ownership share of 64.75 total taxable hectares x \$3.70 = \$239.58; and,
- 50 per cent ownership share of 64.75 total taxable hectares x \$3.70 = \$119.79.

'Taxable hectares' takes into account-by excluding-untaxable mineral lands described in Question 2.

MRT is applied to **each** mineral title when multiple titles exist on the same parcel of land for different commodities. For instance:

- 64.75 hectare parcel with three mineral titles (petroleum, natural gas and coal) = 194.25 taxable hectares.

Title holders will not be charged for MRT assessments totaling less than \$100. A running total is applied to all invoice amounts and, if the \$100 limit is met or exceeded at any point in the year, an invoice for the running total amount will be issued. Once the \$100 limit has been exceeded, invoices of less than \$100 can be issued. For instance:

- MRT was calculated to be \$90 for one title holder at the time of the annual billing; as the amount is less than \$100, no invoice was created. The title holder acquires a mineral title involving 16 hectares on August 10. During the next supplemental billing sweep, the title holder will be invoiced for all rights owned including the amount not invoiced in the annual billing.

5. When is MRT invoiced and payable?

Annual MRT is assessed to the mineral title owner on record as of May 1 and is calculated for the full tax year (January 1 to December 31). Taxes are due and payable by June 30 each year.

Supplemental billing will occur from June to December. Supplemental billing invoices any previously non-taxed title that has become taxable:

- If a previously untaxed mineral title becomes taxable after May 1 (e.g. an individual or Agricultural Corporation owned title is transferred to a corporation), MRT is calculated based on the transfer date and is payable 60-days from the transfer date; and,
- If more than one transfer occurs to the same taxpayer on different days more than one invoice will be generated.

Interest will be assessed as per *The Mineral Taxation Late Payment Interest Charges Regulations, 2020* at prime lending rate plus 3.0 per cent per annum or portion thereof on any unpaid balance as of the due and payable date.

In the event the mineral title is transferred to a new taxable owner after May 1, the owner as of May 1 is responsible for the full tax amount. The minister will not refund or prorate the tax amount to accommodate the transfer. If the transfer is determined to be non-arm's length, the new owner becomes liable for any outstanding and future MRT. Parties to a transfer are advised to ensure their transfer agreement takes these into consideration.

6. Can someone explain the reports? There is a lot of information included on them.

Please review the [Mineral Rights Tax \(MRT\) in IRIS Learning Module](#). For additional information, please reference the MRT available on the [mineral rights website](#).

7. All my titles are not listed. What should I do?

The following steps should be followed if titles are not listed.

- Verify invoice to determine if the missing title refers to a surface parcel rather than a mineral parcel;
- Confirm the ISC client number associated with the mineral title. Mineral titles are linked to a BA by an interpretation of the ISC client number. Check the client information with ISC by visiting www.isc.ca, emailing ask@isc.ca or calling 1-866-275-4721 to determine the name and client number recorded at ISC. Please note there can be many client numbers associated with one customer. Consolidating many ISC client numbers to one is encouraged; and,
- Contact the Ministry of Energy and Resources **ER Service Desk**.

8. My mineral lands are not producing mineral commodities. Do I still have to pay MRT?

Yes. MRT is assessed on mineral titles regardless of mineral production.

9. Should I transfer my mineral titles to a corporation?

You may transfer your mineral titles to a corporation of your choice, however, exemptions based on the current title status may not necessarily transfer to the new title or owner. Please contact the ER Service Desk to fully understand the tax implications before transferring any mineral rights to a corporation.

10. I did not know that transferring mineral titles to a corporation would make them taxable. Can I transfer the mineral rights back into my name?

Mineral titles may be transferred from a corporation into an individual's name. However, the mineral rights will be subject to MRT after the transfer unless the minister is satisfied that the parties are dealing at arm's length, and that the transferor retains no right to profit, no right to reacquire, and no right to administer those mineral rights. See section 17 of the Act for more details.

In circumstances where the transfer to a corporation from an individual was done without an understanding of the tax implications, the requirement to be dealing at an arm's length may be waived. However, the reversal of the transfer must be done in a timely fashion (i.e. 12-months) and must return ownership to the original pre-transfer owners in accordance with section 13 of *The Mineral Rights Tax Regulations, 2022*.

11. Can I appeal MRT assessment?

You may appeal an MRT assessment within 90-days of receiving a notice of determination or notice of assessment provided the taxes are paid in full.

Complete the [notice of appeal](#) and submit the notice to the Saskatchewan Municipal Board, Board of Revenue Commissioners by email, online submission, personal delivery, or registered mail.

Contact the Board of Revenue Commissioners at 1-306-787-6221 for more information.

12. What if I cannot/do not pay MRT?

If you cannot pay MRT, you may surrender, and the minister may accept, your mineral rights provided that the mineral titles are free of all encumbrances. Please contact the ER Service Desk for more information.

If you do not pay MRT within one year after the tax is due and payable and the mineral rights have not been surrendered, the minister will begin mineral title forfeiture proceedings. The mineral rights will be forfeited to the Crown if the outstanding MRT, interest and other penalties have not been paid within the six-month forfeiture proceedings window.

13. How do I transfer my Mineral Rights to another person/corporation?

The Ministry of Energy and Resources is not involved with the transfer of freehold mineral rights. Information Services Corporation (ISC) maintains Saskatchewan's land registry, and completed documentation must be submitted directly to ISC. The Ministry advises and encourages clients to seek professional/legal advice and services in the preparation of land titles documents.

To obtain current title information or to transfer the titles, please contact ISC at 1-866-275-4721 or ask@isc.ca. Also, the ISC website is available at www.isc.ca.

14. I want to sell my mineral rights, what are they worth?

Any person or company that holds mineral title in Saskatchewan can sell those titles to whomever they wish. The Government of Saskatchewan does not purchase freehold minerals, nor provide valuation advice in keeping with section 5 of *The Energy and Mines Act* which prohibits any employee of the ministry from disclosing any information respecting the mineral worth of an area.

Market conditions and location are two common factors that influence the value of mineral rights. Individuals seeking valuation guidance may consider searching for land consultants, land services, or land agents in Saskatchewan. Professionals in these fields may be able to assist with assessing market value or facilitating a transaction.

15. Inquiries:

For inquiries, please visit the [mineral rights website](#) or contact the ER Service Desk:

Email: er.servicedesk@gov.sk.ca

Phone: 1-855-219-9373