

Mineral Royalty Act: Royalty Guideline – RG-MRA-007 CRD Factors

Version	Issued	Dates of Effect	
		From:	To:
1	29 August 2011	29 August 2011	5 January 2012
2	6 January 2012	6 January 2012	2 July 2012
3	3 July 2012	3 July 2012	2 January 2013
4	3 January 2013	3 January 2013	4 July 2013
5	5 July 2013	5 July 2013	2 January 2014
6	3 January 2014	3 January 2014	1 July 2014
7	2 July 2014	2 July 2014	5 January 2015
8	6 January 2015	6 January 2015	1 July 2015
9	2 July 2015	2 July 2015	4 January 2016
10	5 January 2016	5 January 2016	10 July 2016
11	11 July 2016	11 July 2016	9 January 2017
12	10 January 2017	10 January 2017	23 July 2017
13	24 July 2017	24 July 2017	8 January 2018
14	9 January 2018	9 January 2018	3 July 2018
15	4 July 2018	4 July 2018	7 January 2019
16	8 January 2019	8 January 2019	30 June 2019
17	1 July 2019	1 July 2019	Current

Purpose

1. This Guideline announces the capital recognition deduction (CRD) factors and the period during which they apply for the purpose of sections 4C(2) and (6) of the Mineral Royalty Act 1982 (NT) (the MRA), and in conjunction with Guideline RG-MRA-006: Capital Recognition Deduction, explains how CRD is to be determined for the purposes of the MRA.
2. This Guideline is issued by the Secretary under section 4E of the MRA.

Introduction

3. As detailed in [RG-MRA-006: Capital Recognition Deduction](#), CRD must be determined as follows:

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- (1) CRD is a fraction of each item of 'eligible capital assets expenditure' (ECAE) actually used on a production unit, for the purposes of the operations of the production unit, during the whole or part of a six month period of a royalty year.
 - (2) The fraction, known as the CRD factor, is published or announced from time to time by the Secretary, and applies retrospectively for the period specified in the announcement (being six months before the announcement).
 - (3) The Secretary determines the CRD factor by converting a given present value capital sum into a series of semi-annual annuities at a prescribed rate of interest.
 - (4) The implicit interest rate is the 10 year bond rate for Australian Federal Government securities, uplifted by 2 per cent.
 - (5) Each item of ECAE is allocated a period of years over which a CRD will be allowed. This period will generally be aligned to the *Income Tax Assessment Act 1936* (Cth) periods for depreciation. The CRD on ECAE is claimed over a period of 3, 5 or 10 years (in accordance with the capital deduction life schedule set out in paragraphs 37 to 38 of [RG-MRA-006](#): Capital Recognition Deduction).
 - (6) CRD in respect of each item of ECAE is an allowable deduction for a period not exceeding the period allowed for it (as outlined in paragraph 3(5) above), whether that period is a period of uninterrupted use or the sum of fractional periods of use.
 - (7) Where an item of ECAE is sold independently from a production unit, for a value different from its written down value, and such sale is at arm's length, the difference is recognised in determining gross realization, for the purpose of calculating royalty liability.
4. The announcement of the factors to be used in calculating CRD and the period during which the factors will apply is generally made within a week after the end of each six month period to allow royalty payers sufficient time to determine their royalty liabilities. In default of the Secretary making an announcement within 12 months of the most recent announcement, the factors announced in the most recent announcement shall continue to apply in the next consecutive six month periods until the Secretary makes a new announcement of the factors and periods.
 5. Announcements of the factors to be used in calculating CRD and the period during which they apply will be made in the form of a Guideline, to the extent that it is capable of being a Guideline in terms of section 4E of the MRA, for the purposes of the MRA and will be made publicly available online at www.revenue.nt.gov.au.

Factors to be used in calculating CRD and the periods during which the factors apply

6. The factors, the periods during which the factors apply and the period of years over which the CRD will be allowable that are to be taken into account for the purposes of calculating CRD, are presented in tabular form on page 3:

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CRD PERIOD	3 YEARS	5 YEARS	10 YEARS
1 Jan to 30 Jun 2019 1 Jul to 31 Dec 2018	0.17815 0.18038	0.11097 0.11312	0.06080 0.06298
1 Jan to 30 Jun 2018 1 Jul to 31 Dec 2017	0.18082 0.18048	0.11355 0.11322	0.06342 0.06308
1 Jan to 30 Jun 2017 1 Jul to 31 Dec 2016	0.18044 0.17915	0.11318 0.11193	0.06304 0.06177
1 Jan to 30 Jun 2016 1 Jul to 31 Dec 2015	0.17988 0.18086	0.11264 0.11359	0.06249 0.06346
1 Jan to 30 Jun 2015 1 Jul to 31 Dec 2014	0.18048 0.18256	0.11323 0.11523	0.06309 0.06515
1 Jan to 30 Jun 2014 1 Jul to 31 Dec 2013	0.18454 0.18456	0.11718 0.11719	0.06717 0.06717
1 Jan to 30 Jun 2013 1 Jul to 31 Dec 2012	0.18276 0.18180	0.11544 0.11450	0.06536 0.06440
1 Jan to 30 Jun 2012 1 Jul to 31 Dec 2011	0.18360 0.18561	0.11625 0.11823	0.06620 0.06825
1 Jan to 30 Jun 2011 1 Jul to 31 Dec 2010	0.18918 0.18814	0.12172 0.12070	0.07192 0.07085
1 Jan to 30 Jun 2010 1 Jul to 31 Dec 2009	0.18941 0.18911	0.12196 0.12166	0.07217 0.07185
1 Jan to 30 Jun 2009 1 Jul to 31 Dec 2008	0.18582 0.19004	0.11843 0.12258	0.06847 0.07283

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MRA publications

7. Guideline [RG-MRA-001](#): Guidelines and Advance Opinions, which sets out information on the Guideline system, is incorporated into and read as one with this Guideline.



Michael Butler
Secretary
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For further information, please contact the Territory Revenue Office:

GPO Box 154
Darwin NT 0801
Email: ntrevenue@nt.gov.au
Phone: 1300 305 353
Website: www.revenue.nt.gov.au