

By: Scoper, Minor, Bryan

To: Finance

SENATE BILL NO. 3223  
(As Passed the Senate)

1 AN ACT TO AMEND SECTION 27-25-721, MISSISSIPPI CODE OF 1972,  
2 TO CONTINUE THE AD VALOREM TAX EXEMPTION FOR CARBON DIOXIDE AND  
3 CARBON DIOXIDE PRODUCTION EQUIPMENT; AND FOR RELATED PURPOSES.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

5 SECTION 1. Section 27-25-721, Mississippi Code of 1972, is  
6 amended as follows:

7 [Until July 1, 2004, this section shall read as  
8 follows:][WAN1]

9 27-25-721. All gas and carbon dioxide produced or under the  
10 ground on producing properties within the State of Mississippi and  
11 all producing gas or carbon dioxide equipment, including wells,  
12 connections, pumps, derricks and other appurtenances actually  
13 owned by and belonging to the producer, and all leases in  
14 production, including mineral rights in producing properties,  
15 shall be exempt from all ad valorem taxes now levied or hereafter  
16 levied by the State of Mississippi, or any other taxing district  
17 within this state. This exemption shall not apply to drilling  
18 equipment, including derricks, machinery, and other materials  
19 necessary to drilling, nor to gas or carbon dioxide gathering  
20 systems, nor to the surface of lands leased for gas or carbon  
21 dioxide production or upon which gas or carbon dioxide producing  
22 properties are situated, but all such drilling equipment,  
23 gathering systems, and lands shall be assessed as are other  
24 properties and shall be subject to ad valorem tax. However, no  
25 additional assessment shall be added to the surface value of such  
26 lands by reason of the presence of gas or carbon dioxide

27 thereunder or its production therefrom. The exemption herein  
28 granted shall apply to all ad valorem taxes levied in the year  
29 1948 and each year thereafter.

30 [From and after July 1, 2004, this section shall read as  
31 follows:]

32 27-25-721. All gas produced or under the ground on producing  
33 properties within the State of Mississippi and all producing gas  
34 equipment, including wells, connections, pumps, derricks and other  
35 appurtenances actually owned by and belonging to the producer, and  
36 all leases in production, including mineral rights in producing  
37 properties, shall be exempt from all ad valorem taxes now levied  
38 or hereafter levied by the State of Mississippi, or any other  
39 taxing district within this state. This exemption shall not apply  
40 to drilling equipment, including derricks, machinery, and other  
41 materials necessary to drilling, nor to gas gathering systems, nor  
42 to the surface of lands leased for gas production or upon which  
43 gas producing properties are situated, but all such drilling  
44 equipment, gathering systems, and lands shall be assessed as are  
45 other properties and shall be subject to ad valorem tax. However,  
46 no additional assessment shall be added to the surface value of  
47 such lands by reason of the presence of gas thereunder or its  
48 production therefrom. The exemption herein granted shall apply to  
49 all ad valorem taxes levied in the year 1948 and each year  
50 thereafter.

51 SECTION 2. This act shall take effect and be in force from  
52 and after December 31, 1999.