

By: Senator(s) Robertson, Albritton, Burton, Butler, Carmichael, Dearing, Harden, Jackson (11th), Jackson (15th), Jackson (32nd), Jordan, King, Thomas, White To: Finance

SENATE BILL NO. 3066

1 AN ACT TO AMEND SECTION 27-65-15, MISSISSIPPI CODE OF 1972,  
2 TO MAKE IT CLEAR THAT SALES OF COAL AND LIGNITE USED AS FUEL TO  
3 PRODUCE ELECTRIC POWER BY A COMPANY PRIMARILY ENGAGED IN THE  
4 BUSINESS OF PRODUCING, GENERATING OR DISTRIBUTING ELECTRIC POWER  
5 FOR SALE ARE NOT TAXED UNDER THE MISSISSIPPI SALES TAX LAW; AND  
6 FOR RELATED PURPOSES.

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

8 SECTION 1. Section 27-65-15, Mississippi Code of 1972, is  
9 amended as follows:

10 27-65-15. (1) Upon every person engaging or continuing  
11 within this state in the business of mining, quarrying, drilling  
12 or otherwise producing, or causing to be produced for sale,  
13 profit, or commercial use, limestone, sand, gravel, dirt, coal,  
14 lignite or other mineral or natural resource products, except  
15 timber, oil, natural gas and salt, there is hereby levied and  
16 assessed and shall be collected taxes as follows:

17 (a) Sales to consumers within this state shall be taxed  
18 under Section 27-65-17 or Section 27-65-19, as the case may be.

19 (b) Sales defined as wholesale or exempt, used by the  
20 producers as a component material of a contract taxable under  
21 Section 27-65-21, as a raw material of a manufactured product, or  
22 delivered outside this state, shall be taxed at seven percent (7%)  
23 of the gross proceeds of sales, exclusive of delivery charges, or  
24 value when converted to use, whichever is greater, but not to  
25 exceed Five Cents (5¢) per ton with respect to sand, gravel, dirt,  
26 clay or limestone.

27 (2) The sale of coal and lignite used as fuel to produce  
28 electric power by a company primarily engaged in the business of

29 producing, generating or distributing electric power for sale,  
30 shall be exempt from the provisions of this section.

31 (3) The commission shall prescribe equitable and uniform  
32 rules for ascertaining value.

33 (4) All privilege taxes levied upon persons engaged in the  
34 production of natural resource products by this chapter shall be a  
35 lien upon all such products so produced and such lien shall be  
36 entitled to preference over all judgments, executions,  
37 encumbrances or liens, whensoever created. All persons to or  
38 through whom the title to such products pass shall be jointly and  
39 severally liable for such tax until the same is paid in full.

40 (5) The tax imposed in this section shall be collected by  
41 the commissioner from the person in charge of the production  
42 operations, and the commissioner is hereby authorized to make such  
43 investigations and inspections of the production operations, from  
44 time to time, as he may deem necessary for the purpose of  
45 ascertaining the correct amount of tax due.

46 **SECTION 2.** This act shall take effect and be in force from  
47 and after its passage.