

Sales and Use Tax Bureau
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MISSISSIPPI
STATE TAX COMMISSION

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Notice 06-04

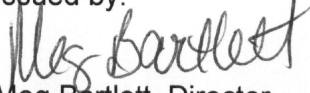
**Notice to All Producers of Sand, Gravel, Dirt or
Other Mineral or Natural Resource Products**

The 2006 Mississippi Legislature has removed Section 27-65-15 from the sales tax code. This change was provided for in Senate Bill 3073, effective on July 1, 2006.

Previously this section of the sales tax law taxed the production of all natural resources with the exception of timber, oil, natural gas and salt. All persons who produced sand, gravel, dirt or other mineral and natural resources were required to pay a production tax on the sales price or value of such products when they were converted to use. This tax was due at the rate of 7% for most products, but was at the rate of 5 ¢ per ton for sand, gravel, dirt, clay and limestone. Production tax was reported on your sales tax return under Tax Code 73 or Tax Code 93. **Do not pay any production tax on products that have been produced after July 1, 2006.**

Sales tax remains due on all regular retail sales of sand, gravel, dirt or other mineral and natural resources. However, sales that are exempt from the regular sales tax are no longer subject to the production tax. This law change became effective on July 1, 2006.

Issued by:


Meg Bartlett, Director
Sales and Use Tax Bureau