

# Alabama Department of Revenue

News Release  
Oct. 1, 2004

## Alabama Uniform Severance Tax on Natural Minerals Effective October 1

*Montgomery*— A new law, effective October 1, levies a uniform 10-cent per ton tax on certain natural minerals severed and sold and repeals conflicting local mineral taxes such as those levied in Cleburne, Hale, and Macon counties.

The 10-cent per ton tax does not, however, affect all Alabama counties, according to the Alabama Department of Revenue, the state agency responsible for administering the tax. The 10-cent per ton tax does not apply to Coosa County where the local 25-cent per ton severance tax remains in effect. It does not affect Geneva, Lamar, Lee and Wilcox counties, as these counties chose not to have the provisions of Act 2004-629 apply to them.

Act 2004-629, known as the “Alabama Uniform Severance Tax Act,” applies a 10-cent per ton tax on natural minerals such as sand, gravel, sandstone, granite, shale, clay, dolomite, and limestone.

The statewide severance tax does not apply to marble and marble by-products, iron ore, quartzite, coal, oil, chert, and natural gas.

Other natural minerals or materials are exempted from the state tax when they are used for specific purposes. Act 2004-629 exempts lime or limestone used for agricultural, pollution control, or abatement purposes. Clay is exempt when used to produce lightweight aggregate. In addition, rock dust used in coal mining operations; natural minerals used to produce Portland cement; and processed sand used in foundry cores, mold, and linings are exempt from the statewide severance tax.

In July, the ADOR mailed notices to all Alabama taxpayers of record involved in minerals excavation and sales informing them of the new state law and reporting requirements. The first Alabama Uniform Severance Tax Return will be due by Nov. 20, 2004, for the October 2004 activity.

Revenues from the state 10-cent per ton severance tax are earmarked for distribution to the counties from which the natural minerals are severed.

For more information concerning the Alabama Uniform Severance Tax Act, contact the ADOR's Severance & License Tax Section at (334) 353-7827 or by e-mail contacts at [www.ador.state.al.us](http://www.ador.state.al.us).

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