

Instructions: Severance Tax on All Coal Products Return

Tenn. Code Ann. § 67-7-104 imposes tax of **one dollar per ton** on all coal severed from the ground in underground mining operations and on all coal severed from the ground in surface coal mining and reclamation operations. "Coal products" means coal ore and any other substance that might be severed from the earth by the process of producing salable coal, by whatever method of severance used.

The tax is levied on the entire production in Tennessee, regardless of the place of sale or whether the product is delivered outside the state. The owner is liable for the tax at the time the coal products are severed from the earth and are ready for sale, regardless of whether it is before or after processing.

The return along with the appropriate tax payment is due monthly on or before the 15th day of the month following the period covered. Taxpayers must file a return for each county in which they sever coal from the ground. Taxpayers should file and make their tax payments online by visiting the Department's website at www.tn.gov/revenue. Alternatively, they may mail returns and payments to the address listed on the return.

You must sign and date your return. Paid preparers (accountants, attorneys, etc.) must also sign the return. If this is an amended return, please indicate the "Filing Period" and check the amended return box on the top of the return.

Return

- Line 1: Enter the total number of tons of coal severed from the ground in mining operations in the reported county during the reporting period.
- Line 2: Multiply the total number of tons of coal severed from mining operations from Line 1 by **\$1**.
- Line 3: If your account has a credit balance from an overpayment on a prior return, enter the amount on this line. Do not enter an amount greater than Line 2.
- Line 4: Penalty is calculated at a rate of 5% for each 30-day period, or portion thereof, that a return is delinquent, up to a maximum of 25% of the delinquent amount. The minimum penalty is \$15 for the delinquent filing of a return. If your return is delinquent, apply the appropriate penalty rate to the total tax due from Line 2.
- Line 5: Interest is due on any amount of tax that is paid after the statutory due date of the return. The interest rate is determined in accordance with Tenn. Code Ann. § 67-1-801. The current interest rate can be found at www.tn.gov/revenue by clicking the Tax Resources tab. If the payment is late, apply the interest rate to the total tax due from Line 2.
- Line 6: Add Lines 2, 4, and 5, and subtract Line 3 for the total amount of tax, penalty, and interest due.