

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

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## **SCHOOL BOARDS - TAX - MISSISSIPPI**

### **Jones County School Dist. v. Mississippi Dept. of Revenue**

**Supreme Court of Mississippi - March 7, 2013 - So.3d - 2013 WL 829010**

*Supreme Court of Mississippi holds that school districts are not liable for oil and gas severance taxes on sixteenth-section royalty interests.*

This case concerned three main issues: 1) whether a school district is liable for oil and gas severance taxes on its royalty interests derived from oil and gas production on sixteenth-section land; 2) whether the statute of limitations restricts the time period in which a school district can seek a refund of severance taxes that it had paid erroneously; and 3) whether a school district is liable for administrative expense taxes on its royalty interests derived from oil and gas production on sixteenth-section land.

The Supreme Court of Mississippi found that:

- School districts are not liable for oil and gas severance taxes on sixteenth-section royalty interests, as political subdivisions of the state are not included within the definition of “persons” made subject to these taxes.
- Pursuant to Article 4, Section 104 of the Mississippi Constitution, statutes of limitation in civil causes do not run against the state or its subdivisions.
- School districts are liable for administrative expense taxes on sixteenth-section royalty interests. These assessments are “fees,” not “taxes”; the legislature has expressly made the state and its subdivisions subject to these fees; and no constitutional provision or other law is violated by requiring school districts to pay them.