

Public Ruling

Navajo Sales Tax

Sales to Navajo Generating Station and Peabody Kayenta Mine

A ruling has been requested regarding the application of the Sales Tax to the sale of goods or services to the Navajo Generating Station near Page, Arizona and the Peabody Kayenta Mine near Kayenta, Arizona, which supplies Navajo Generating Station.

The lease for Navajo Generating Station contains a contractual tax waiver for the power plant and all activities associated with the generation of power at the plant. The Office of the Navajo Tax Commission has determined that this waiver includes sales of goods and/or services at the Kayenta Mine as well, since the coal from that mine is dedicated to Navajo Generating Station. Therefore, during the term of the contractual waiver, the Navajo Sales Tax does not apply to sales at either the Generating Station or Kayenta Mine.

This ruling expires on December 31, 2012, unless previously withdrawn by the Office of the Navajo Tax Commission or superseded or rendered invalid by a change in statute or regulation.

If you have any questions, please contact the Office of the Navajo Tax Commission at (928) 871-7113.

Issued this 14th day of June, 2002

Signed by R. C. Etcitty, Jr., on 06/14/02

Raymond C. Etcitty, Jr., Executive Director
Office of the Navajo Tax Commission