	SEVERANCE TAX REVENUE AMENDMENTS
	2023 GENERAL SESSION
	STATE OF UTAH
	Chief Sponsor: David P. Hinkins
	House Sponsor:
L	ONG TITLE
G	eneral Description:
	This bill modifies provisions related to the deposit of severance tax revenue into state
ag	gency accounts.
Hi	ighlighted Provisions:
	This bill:
	 clarifies the timing for the deposit of severance tax revenue into state agency
ac	ecounts.
M	loney Appropriated in this Bill:
	None
Ot	ther Special Clauses:
	This bill provides retrospective operation.
Ut	tah Code Sections Affected:
Al	MENDS:
	51-9-306, as enacted by Laws of Utah 2021, Chapter 401
Ве	e it enacted by the Legislature of the state of Utah:
	Section 1. Section 51-9-306 is amended to read:
	51-9-306. Deposit of certain severance tax revenue for specified state agencies.
	(1) As used in this section:
	(a) "Aggregate annual revenue" means the aggregate annual revenue collected in a



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28 fiscal year from the taxes imposed under Title 59, Chapter 5, Severance Tax on Oil, Gas, and

- 29 Mining, after subtracting the amounts required to be distributed under Sections 51-9-305,
- 30 59-5-116, and 59-5-119.
- 31 (b) "Aggregate annual mining revenue" means the aggregate annual revenue collected
- in a fiscal year from taxes imposed under Title 59, Chapter 5, Part 2, Mining Severance Tax,
- after subtracting the amounts required to be distributed under Section 51-9-305.
- 34 (c) "Aggregate annual oil and gas revenue" means the aggregate annual revenue
- 35 collected in a fiscal year from the taxes imposed under Title 59, Chapter 5, Part 1, Oil and Gas
- 36 Severance Tax, after subtracting the amounts required to be distributed under Sections
- 37 51-9-305, 59-5-116, and 59-5-119.
- 38 (d) "Average aggregate annual revenue" means the three-year rolling average of the
- 39 aggregate annual revenue collected in a fiscal year from the taxes imposed under Title 59,
- 40 Chapter 5, Severance Tax on Oil, Gas, and Mining:
- 41 (i) after subtracting the amounts required to be distributed under Sections 51-9-305,
- 42 59-5-116, and 59-5-119; and
- 43 (ii) ending in the fiscal year immediately preceding the fiscal year of a deposit required
- 44 by this section.
- (e) "Average aggregate annual mining revenue" means the three-year rolling average of
- 46 the aggregate annual revenue collected in a fiscal year from the taxes imposed under Title 59,
- 47 Chapter 5, Part 2, Mining Severance Tax:
- 48 (i) after subtracting the amounts required to be distributed under Section 51-9-305; and
 - (ii) ending in the fiscal year immediately preceding the fiscal year of a deposit required
- 50 by this section.

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- (f) "Average aggregate annual oil and gas revenue" means the three-year rolling
- average of the aggregate annual revenue collected in a fiscal year from the taxes imposed under
- Title 59, Chapter 5, Part 1, Oil and Gas Severance Tax:
- 54 (i) after subtracting the amounts required to be distributed under Sections 51-9-305,
- 55 59-5-116, and 59-5-119; and
- 56 (ii) ending in the fiscal year immediately preceding the fiscal year of a deposit required
- 57 by this section.
- 58 (2) After making the deposits of oil and gas severance tax revenue as required under

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39	Sections 39-3-116 and 39-3-119 and making the credits under Section 31-9-303, for a fiscal
60	year beginning on or after July 1, 2021, the State Tax Commission shall annually make the
61	following deposits:
62	(a) to the Division of Air Quality Oil, Gas, and Mining Restricted Account, created in
63	Section 19-2a-106, the following average aggregate annual revenue:
64	(i) 2.75% of the first \$50,000,000 of the average aggregate annual revenue;
65	(ii) 1% of the next \$50,000,000 of the average aggregate annual revenue; and
66	(iii) .5% of the average aggregate annual revenue that exceeds \$100,000,000;
67	(b) to the Division of Water Quality Oil, Gas, and Mining Restricted Account, created
68	in Section 19-5-126, the following average aggregate annual revenue:
69	(i) .4% of the first \$50,000,000 of the average aggregate annual revenue;
70	(ii) .15% of the next \$50,000,000 of the average aggregate annual revenue; and
71	(iii) .08% of the average aggregate annual revenue that exceeds \$100,000,000;
72	(c) to the Division of Oil, Gas, and Mining Restricted Account, created in Section
73	40-6-23, the following:
74	(i) (A) 11.5% of the first \$50,000,000 of the average aggregate annual mining revenue;
75	(B) 3% of the next \$50,000,000 of the average aggregate annual mining revenue; and
76	(C) 1% of the average aggregate annual mining revenue that exceeds \$100,000,000;
77	and
78	(ii) (A) 18% of the first \$50,000,000 of the average aggregate annual oil and gas
79	revenue;
80	(B) 3% of the next \$50,000,000 of the average aggregate annual oil and gas revenue;
81	and
82	(C) 1% of the average aggregate annual oil and gas revenue that exceeds \$100,000,000;
83	and
84	(d) to the Utah Geological Survey Oil, Gas, and Mining Restricted Account, created in
85	Section 79-3-403, the following average aggregate annual revenue:
86	(i) 2.5% of the first \$50,000,000 of the average aggregate annual revenue;
87	(ii) 1% of the next \$50,000,000 of the average aggregate annual revenue; and
88	(iii) .5% of the average aggregate annual revenue that exceeds \$100,000,000.
89	(3) If the money collected in a fiscal year from the taxes imposed under Title 59,

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90	Chapter 5, Severance 1 ax on Oil, Gas, and Mining, is insufficient to make the deposits
91	required by Subsection (2), the State Tax Commission shall deposit money collected in the
92	fiscal year as follows:
93	(a) to the Division of Air Quality Oil, Gas, and Mining Restricted Account, created in
94	Section 19-2a-106, the following revenue:
95	(i) 2.75% of the first \$50,000,000 of the aggregate annual revenue;
96	(ii) 1% of the next \$50,000,000 of the aggregate annual revenue; and
97	(iii) .5% of the aggregate annual revenue that exceeds \$100,000,000;
98	(b) to the Division of Water Quality Oil, Gas, and Mining Restricted Account, created
99	in Section 19-5-126, the following revenue:
100	(i) .4% of the first \$50,000,000 of the aggregate annual revenue;
101	(ii) .15% of the next \$50,000,000 of the aggregate annual revenue; and
102	(iii) .08% of the aggregate annual revenue that exceeds \$100,000,000;
103	(c) to the Division of Oil, Gas, and Mining Restricted Account, created in Section
104	40-6-23, the following:
105	(i) (A) 11.5% of the first \$50,000,000 of the aggregate annual mining revenue;
106	(B) 3% of the next \$50,000,000 of the aggregate annual mining revenue; and
107	(C) 1% of the aggregate annual mining revenue that exceeds \$100,000,000; and
108	(ii) (A) 18% of the first \$50,000,000 of the aggregate annual oil and gas revenue;
109	(B) 3% of the next \$50,000,000 of the aggregate annual oil and gas revenue; and
110	(C) 1% of the aggregate annual oil and gas revenue that exceeds \$100,000,000; and
111	(d) to the Utah Geological Survey Oil, Gas, and Mining Restricted Account, created in
112	Section 79-3-403, the following revenue:
113	(i) 2.5% of the first \$50,000,000 of the aggregate annual revenue;
114	(ii) 1% of the next \$50,000,000 of the aggregate annual revenue; and
115	(iii) .5% of the aggregate annual revenue that exceeds \$100,000,000.
116	(4) The severance tax revenues deposited under this section into restricted accounts for
117	the state agencies specified in Subsection (2) and appropriated from the restricted accounts
118	offset and supplant General Fund appropriations used to pay the costs of programs or projects
119	administered by the state agencies that are primarily related to oil, gas, and mining.
120	Section 2. Retrospective operation.

This bill provides retrospective operation to July 1, 2021.