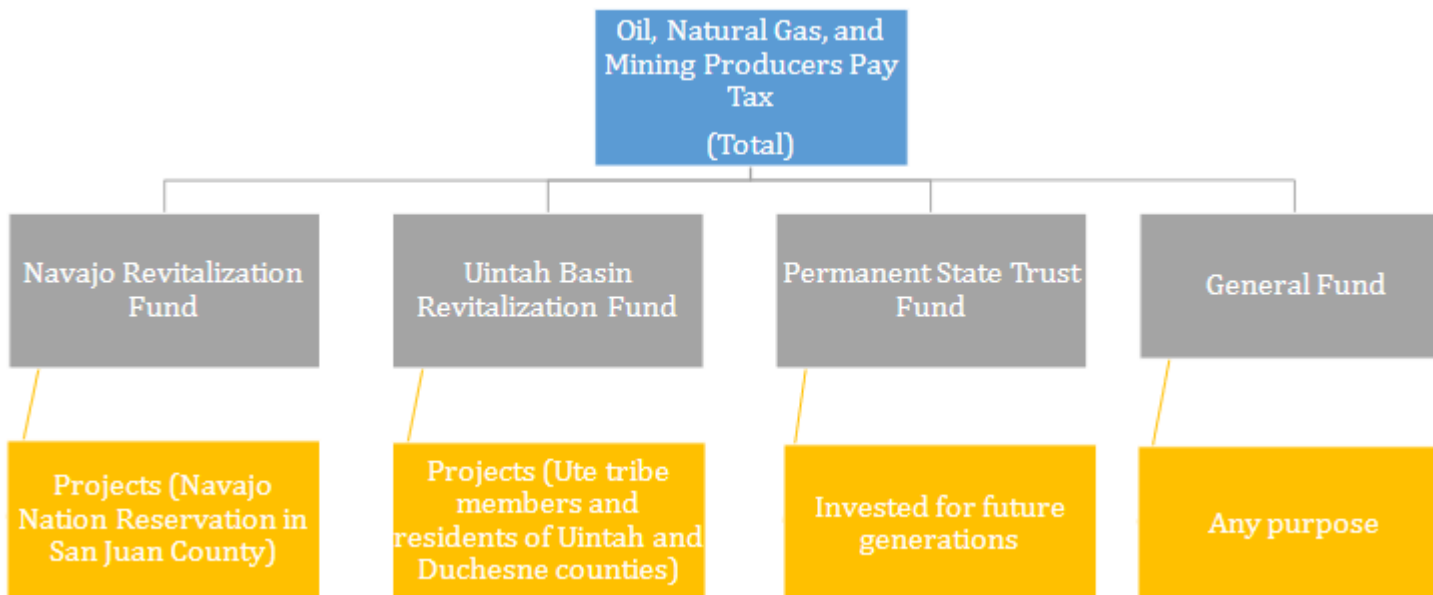


Fiscal Highlights

Severance Tax Deposit in FY 2017 - Thomas E. Young

The [2012 Joint Resolution on Severance Tax](#) allows a portion of severance tax revenue to be deposited into the Permanent Trust Fund. In FY 2017, the first deposit will be made. Based upon current economic conditions and projections, the shift in severance tax revenue from the General Fund to the Permanent State Trust Fund will be about **\$9.6 million** this fiscal year. A brief discussion of severance tax revenue follows; this [issue brief](#) has further information.

Severance tax is distributed per the following diagram. After the taxes are received by the Tax Commission, the money is deposited into four funds - the General Fund, the Navajo Revitalization Fund, the Uintah Basin Revitalization Fund, and the newly authorized Permanent State Trust Fund.



After deposits are made into the funds, rules on the uses of the money apply. Uses on money directed into the Navajo Revitalization Fund and the Uintah Basin Revitalization Fund include such things as capital and infrastructure projects and other non-private, non-operational expenditures. Recipients are intended to be Ute tribe members and residents in Uintah and Duchesne counties (Uintah Basin Revitalization Fund) and members of the Navajo Nation Reservation in San Juan County (Navajo Revitalization Fund).

The severance tax deposited into the Permanent State Trust Fund is invested for future generations. Interest and dividends on severance tax revenue deposited into the Permanent State Trust Fund are credited to the General Fund.

Lastly, severance tax deposited into the General Fund can be used for any purpose deemed appropriate by the Legislature.