

Tax Payments with Gold
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Ken Ivory
Senate Sponsor:

LONG TITLE

General Description:

This bill addresses tax payments.

Highlighted Provisions:

This bill:

- allows certain mine owners and operators to use gold to pay mining severance taxes;
- for specified years, provides a nonrefundable tax credit for a mine owner or operator who uses gold to pay mining severance taxes; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

51-9-306 (Effective 01/01/28), as last amended by Laws of Utah 2024, Chapter 25

51-9-307 (Effective 01/01/28), as last amended by Laws of Utah 2024, Chapter 25

59-1-403 (Effective 01/01/28) (Partially Repealed 07/01/29), as last amended by Laws of Utah 2025, Chapters 182, 323, 400, and 498

59-5-202 (Effective 01/01/28), as last amended by Laws of Utah 2024, Chapter 25

59-5-203 (Effective 01/01/28), as last amended by Laws of Utah 2025, Chapter 151

59-5-207 (Effective 01/01/28), as last amended by Laws of Utah 2024, Chapter 25

59-5-215 (Effective 01/01/28), as last amended by Laws of Utah 2024, Chapter 25

65A-6-4 (Effective 01/01/28), as last amended by Laws of Utah 2025, Chapter 151

65A-17-306 (Effective 01/01/28), as enacted by Laws of Utah 2024, Chapter 25

ENACTS:

59-5-306 (Effective 01/01/28), Utah Code Annotated 1953

67-3-23 (Effective 01/01/28), Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **51-9-306** is amended to read:

51-9-306 (Effective 01/01/28). 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 fiscal year from the taxes imposed under Title 59, Chapter 5, Severance Tax on Oil, Gas, and Mining, after subtracting the amounts required to be distributed under Sections 51-9-305, 59-5-116, and 59-5-119 and under Subsection ~~[59-5-202(5)(e)]~~ 59-2-202(6)(c).
- (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 and under Subsection ~~[59-5-202(5)(e)]~~ 59-5-202(6)(c).
- (c) "Aggregate annual oil and gas revenue" means 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, after subtracting the amounts required to be distributed under Sections 51-9-305, 59-5-116, and 59-5-119.
- (d) "Average aggregate annual 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, Severance Tax on Oil, Gas, and Mining:
 - (i) after subtracting the amounts required to be distributed under Sections 51-9-305, 59-5-116, and 59-5-119 and under Subsection ~~[59-5-202(5)(e)]~~ 59-5-202(6)(c); and
 - (ii) ending in the fiscal year immediately preceding the fiscal year of a deposit required by this section.
- (e) "Average aggregate annual mining 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 2, Mining Severance Tax:
 - (i) after subtracting the amounts required to be distributed under Section 51-9-305 and under Subsection ~~[59-5-202(5)(e)]~~ 59-5-202(6)(c); and
 - (ii) ending in the fiscal year immediately preceding the fiscal year of a deposit required by this section.
- (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:

(i) after subtracting the amounts required to be distributed under Sections 51-9-305, 59-5-116, and 59-5-119; and

(ii) ending in the fiscal year immediately preceding the fiscal year of a deposit required by this section.

(2) After making the deposits of oil and gas severance tax revenue as required under Sections 59-5-116 and 59-5-119 and making the credits under Section 51-9-305, for a fiscal year beginning on or after July 1, 2021, the State Tax Commission shall annually make the following deposits:

(a) to the Division of Air Quality Oil, Gas, and Mining Restricted Account, created in Section 19-2a-106, the following average aggregate annual revenue:

(i) 2.75% of the first \$50,000,000 of the average aggregate annual revenue;

(ii) 1% of the next \$50,000,000 of the average aggregate annual revenue; and

(iii) .5% of the average aggregate annual revenue that exceeds \$100,000,000;

(b) to the Division of Water Quality Oil, Gas, and Mining Restricted Account, created in Section 19-5-126, the following average aggregate annual revenue:

(i) .4% of the first \$50,000,000 of the average aggregate annual revenue;

(ii) .15% of the next \$50,000,000 of the average aggregate annual revenue; and

(iii) .08% of the average aggregate annual revenue that exceeds \$100,000,000;

(c) to the Division of Oil, Gas, and Mining Restricted Account, created in Section 40-6-23, the following:

(i)(A) 11.5% of the first \$50,000,000 of the average aggregate annual mining revenue;

(B) 3% of the next \$50,000,000 of the average aggregate annual mining revenue;

and

(C) 1% of the average aggregate annual mining revenue that exceeds \$100,000,000; and

(ii)(A) 18% of the first \$50,000,000 of the average aggregate annual oil and gas revenue;

(B) 3% of the next \$50,000,000 of the average aggregate annual oil and gas revenue; and

(C) 1% of the average aggregate annual oil and gas revenue that exceeds \$100,000,000; and

(d) to the Utah Geological Survey Restricted Account, created in Section 79-3-403, the following average aggregate annual revenue:

- (i) 2.5% of the first \$50,000,000 of the average aggregate annual revenue;
- (ii) 1% of the next \$50,000,000 of the average aggregate annual revenue; and
- (iii) .5% of the average aggregate annual revenue that exceeds \$100,000,000.

(3) If the money collected in a fiscal year from the taxes imposed under Title 59, Chapter 5, Severance Tax on Oil, Gas, and Mining, is insufficient to make the deposits required by Subsection (2), the State Tax Commission shall deposit money collected in the fiscal year as follows:

(a) to the Division of Air Quality Oil, Gas, and Mining Restricted Account, created in Section 19-2a-106, the following revenue:

- (i) 2.75% of the first \$50,000,000 of the aggregate annual revenue;
- (ii) 1% of the next \$50,000,000 of the aggregate annual revenue; and
- (iii) .5% of the aggregate annual revenue that exceeds \$100,000,000;

(b) to the Division of Water Quality Oil, Gas, and Mining Restricted Account, created in Section 19-5-126, the following revenue:

- (i) .4% of the first \$50,000,000 of the aggregate annual revenue;
- (ii) .15% of the next \$50,000,000 of the aggregate annual revenue; and
- (iii) .08% of the aggregate annual revenue that exceeds \$100,000,000;

(c) to the Division of Oil, Gas, and Mining Restricted Account, created in Section 40-6-23, the following:

- (i)(A) 11.5% of the first \$50,000,000 of the aggregate annual mining revenue;
 - (B) 3% of the next \$50,000,000 of the aggregate annual mining revenue; and
 - (C) 1% of the aggregate annual mining revenue that exceeds \$100,000,000; and
 - (ii)(A) 18% of the first \$50,000,000 of the aggregate annual oil and gas revenue;
 - (B) 3% of the next \$50,000,000 of the aggregate annual oil and gas revenue; and
 - (C) 1% of the aggregate annual oil and gas revenue that exceeds \$100,000,000;
- and

(d) to the Utah Geological Survey Restricted Account, created in Section 79-3-403, the following revenue:

- (i) 2.5% of the first \$50,000,000 of the aggregate annual revenue;
- (ii) 1% of the next \$50,000,000 of the aggregate annual revenue; and
- (iii) .5% of the aggregate annual revenue that exceeds \$100,000,000.

(4) The severance tax revenues deposited under this section into restricted accounts for the

state agencies specified in Subsection (2) and appropriated from the restricted accounts offset and supplant General Fund appropriations used to pay the costs of programs or projects administered by the state agencies that are primarily related to oil, gas, and mining.

Section 2. Section **51-9-307** is amended to read:

51-9-307 (Effective 01/01/28). New Severance Tax Revenue Special Revenue Fund.

(1) As used in this section:

- (a) "Fund" means the New Severance Tax Revenue Special Revenue Fund created in this section.
- (b) "New revenue" means revenue collected above \$100,000,000 from the taxes imposed under Title 59, Chapter 5, Severance Tax on Oil, Gas, and Mining, after subtracting the amounts required to be distributed under Sections 51-9-305, 51-9-306, 59-5-116, 59-5-119, and 59-5-121 and under Subsection [~~59-5-202(5)(c)~~] 59-5-202(6)(c).

(2) There is created a special revenue fund known as the "New Severance Tax[-] Revenue Special Revenue Fund" that consists of:

- (a) money deposited by the State Tax Commission in accordance with this section; and
- (b) interest earned on the money in the fund.

(3) Beginning July 1, 2021, the State Tax Commission shall deposit into the fund 100% of new revenue until the new revenue equals or exceeds \$200,000,000 in a fiscal year.

Section 3. Section **59-1-403** is amended to read:

59-1-403 (Effective 01/01/28) (Partially Repealed 07/01/29). Confidentiality -- Exceptions -- Penalty -- Application to property tax.

(1) As used in this section:

- (a) "Distributed tax, fee, or charge" means a tax, fee, or charge:
 - (i) the commission administers under:
 - (A) this title, other than a tax under Chapter 12, Part 2, Local Sales and Use Tax Act;
 - (B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
 - (C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
 - (D) Section 19-6-805;
 - (E) Section 63H-1-205; or
 - (F) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges; and

(ii) with respect to which the commission distributes the revenue collected from the tax, fee, or charge to a qualifying jurisdiction.

(b) "GOEO" means the Governor's Office of Economic Opportunity created in Section 63N-1a-301.

(c) "Qualifying jurisdiction" means:

(i) a county, city, or town;

(ii) the military installation development authority created in Section 63H-1-201;

(iii) the Utah Inland Port Authority created in Section 11-58-201; or

(iv) the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201.

(2)(a) Any of the following may not divulge or make known in any manner any information gained by that person from any return filed with the commission:

(i) a tax commissioner;

(ii) an agent, clerk, or other officer or employee of the commission; or

(iii) a representative, agent, clerk, or other officer or employee of any county, city, or town.

(b) An official charged with the custody of a return filed with the commission is not required to produce the return or evidence of anything contained in the return in any action or proceeding in any court, except:

(i) in accordance with judicial order;

(ii) on behalf of the commission in any action or proceeding under:

(A) this title; or

(B) other law under which persons are required to file returns with the commission;

(iii) on behalf of the commission in any action or proceeding to which the commission is a party; or

(iv) on behalf of any party to any action or proceeding under this title if the report or facts shown by the return are directly involved in the action or proceeding.

(c) Notwithstanding Subsection (2)(b), a court may require the production of, and may admit in evidence, any portion of a return or of the facts shown by the return, as are specifically pertinent to the action or proceeding.

(d) Notwithstanding any other provision of state law, a person described in Subsection (2)(a) may not divulge or make known in any manner any information gained by that person from any return filed with the commission to the extent that the disclosure is

prohibited under federal law.

(3) This section does not prohibit:

- (a) a person or that person's duly authorized representative from receiving a copy of any return or report filed in connection with that person's own tax;
- (b) the publication of statistics as long as the statistics are classified to prevent the identification of particular reports or returns; and
- (c) the inspection by the attorney general or other legal representative of the state of the report or return of any taxpayer:
 - (i) who brings action to set aside or review a tax based on the report or return;
 - (ii) against whom an action or proceeding is contemplated or has been instituted under this title; or
 - (iii) against whom the state has an unsatisfied money judgment.

(4)(a) Notwithstanding Subsection (2) and for purposes of administration, the

commission may by rule, made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, provide for a reciprocal exchange of information with:

- (i) the United States Internal Revenue Service; or
- (ii) the revenue service of any other state.
- (b) Notwithstanding Subsection (2) and for all taxes except individual income tax and corporate franchise tax, the commission may by rule, made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, share information gathered from returns and other written statements with the federal government, any other state, any of the political subdivisions of another state, or any political subdivision of this state, except as limited by Sections 59-12-209 and 59-12-210, if the political subdivision, other state, or the federal government grant substantially similar privileges to this state.
- (c) Notwithstanding Subsection (2) and for all taxes except individual income tax and corporate franchise tax, the commission may by rule, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, provide for the issuance of information concerning the identity and other information of taxpayers who have failed to file tax returns or to pay any tax due.
- (d) Notwithstanding Subsection (2), the commission shall provide to the director of the Division of Environmental Response and Remediation, as defined in Section 19-6-402, as requested by the director of the Division of Environmental Response

- 235 and Remediation, any records, returns, or other information filed with the
236 commission under Chapter 13, Motor and Special Fuel Tax Act, or Section
237 19-6-410.5 regarding the environmental assurance program participation fee.
- 238 (e) Notwithstanding Subsection (2), at the request of any person the commission shall
239 provide that person sales and purchase volume data reported to the commission on a
240 report, return, or other information filed with the commission under:
- 241 (i) Chapter 13, Part 2, Motor Fuel; or
242 (ii) Chapter 13, Part 4, Aviation Fuel.
- 243 (f) Notwithstanding Subsection (2), upon request from a tobacco product manufacturer,
244 as defined in Section 59-22-202, the commission shall report to the manufacturer:
- 245 (i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
246 manufacturer and reported to the commission for the previous calendar year under
247 Section 59-14-407; and
- 248 (ii) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
249 manufacturer for which a tax refund was granted during the previous calendar
250 year under Section 59-14-401 and reported to the commission under Subsection
251 59-14-401(1)(a)(v).
- 252 (g) Notwithstanding Subsection (2), the commission shall notify manufacturers,
253 distributors, wholesalers, and retail dealers of a tobacco product manufacturer that is
254 prohibited from selling cigarettes to consumers within the state under Subsection
255 59-14-210(2).
- 256 (h) Notwithstanding Subsection (2), the commission may:
- 257 (i) provide to the Division of Consumer Protection within the Department of
258 Commerce and the attorney general data:
- 259 (A) reported to the commission under Section 59-14-212; or
260 (B) related to a violation under Section 59-14-211; and
- 261 (ii) upon request, provide to any person data reported to the commission under
262 Subsections 59-14-212(1)(a) through (c) and Subsection 59-14-212(1)(g).
- 263 (i) Notwithstanding Subsection (2), the commission shall, at the request of a committee
264 of the Legislature, the Office of the Legislative Fiscal Analyst, or the Governor's
265 Office of Planning and Budget, provide to the committee or office the total amount of
266 revenue collected by the commission under Chapter 24, Radioactive Waste Facility
267 Tax Act, for the time period specified by the committee or office.
- 268 (j) Notwithstanding Subsection (2), the commission shall make the directory required by

Section 59-14-603 available for public inspection.

(k) Notwithstanding Subsection (2), the commission may share information with federal, state, or local agencies as provided in Subsection 59-14-606(3).

(l)(i) Notwithstanding Subsection (2), the commission shall provide the Office of Recovery Services within the Department of Health and Human Services any relevant information obtained from a return filed under Chapter 10, Individual Income Tax Act, regarding a taxpayer who has become obligated to the Office of Recovery Services.

(ii) The information described in Subsection (4)(l)(i) may be provided by the Office of Recovery Services to any other state's child support collection agency involved in enforcing that support obligation.

(m)(i) Notwithstanding Subsection (2), upon request from the state court administrator, the commission shall provide to the state court administrator, the name, address, telephone number, county of residence, and social security number on resident returns filed under Chapter 10, Individual Income Tax Act.

(ii) The state court administrator may use the information described in Subsection (4)(m)(i) only as a source list for the master jury list described in Section 78B-1-106.

(n)(i) As used in this Subsection (4)(n):

(A) "Income tax information" means information gained by the commission that is required to be attached to or included in a return filed with the commission under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax Act.

(B) "Other tax information" means information gained by the commission that is required to be attached to or included in a return filed with the commission except for a return filed under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax Act.

(C) "Tax information" means income tax information or other tax information.

(ii)(A) Notwithstanding Subsection (2) and except as provided in Subsection (4)(n)(ii)(B) or (C), the commission shall at the request of GOEO provide to GOEO all income tax information.

(B) For purposes of a request for income tax information made under Subsection (4)(n)(ii)(A), GOEO may not request and the commission may not provide to GOEO a person's address, name, social security number, or taxpayer

- 303 identification number.
- 304 (C) In providing income tax information to GOEO, the commission shall in all
305 instances protect the privacy of a person as required by Subsection (4)(n)(ii)(B).
- 306 (iii)(A) Notwithstanding Subsection (2) and except as provided in Subsection
307 (4)(n)(iii)(B), the commission shall at the request of GOEO provide to GOEO
308 other tax information.
- 309 (B) Before providing other tax information to GOEO, the commission shall redact
310 or remove any name, address, social security number, or taxpayer identification
311 number.
- 312 (iv) GOEO may provide tax information received from the commission in accordance
313 with this Subsection (4)(n) only:
- 314 (A) as a fiscal estimate, fiscal note information, or statistical information; and
315 (B) if the tax information is classified to prevent the identification of a particular
316 return.
- 317 (v)(A) A person may not request tax information from GOEO under Title 63G,
318 Chapter 2, Government Records Access and Management Act, or this section,
319 if GOEO received the tax information from the commission in accordance with
320 this Subsection (4)(n).
- 321 (B) GOEO may not provide to a person that requests tax information in
322 accordance with Subsection (4)(n)(v)(A) any tax information other than the tax
323 information GOEO provides in accordance with Subsection (4)(n)(iv).
- 324 (o) Notwithstanding Subsection (2), the commission may provide to the governing board
325 of the agreement or a taxing official of another state, the District of Columbia, the
326 United States, or a territory of the United States:
- 327 (i) the following relating to an agreement sales and use tax:
- 328 (A) information contained in a return filed with the commission;
329 (B) information contained in a report filed with the commission;
330 (C) a schedule related to Subsection (4)(o)(i)(A) or (B); or
331 (D) a document filed with the commission; or
- 332 (ii) a report of an audit or investigation made with respect to an agreement sales and
333 use tax.
- 334 (p) Notwithstanding Subsection (2), the commission may provide information
335 concerning a taxpayer's state income tax return or state income tax withholding
336 information to the Driver License Division if the Driver License Division:

- (i) requests the information; and
- (ii) provides the commission with a signed release form from the taxpayer allowing the Driver License Division access to the information.
- (q) Notwithstanding Subsection (2), the commission shall provide to the Utah Communications Authority, or a division of the Utah Communications Authority, the information requested by the authority under Sections 63H-7a-302, 63H-7a-402, and 63H-7a-502.
- (r) Notwithstanding Subsection (2), the commission shall provide to the Utah Educational Savings Plan information related to a resident or nonresident individual's contribution to a Utah Educational Savings Plan account as designated on the resident or nonresident's individual income tax return as provided under Section 59-10-1313.
- (s) Notwithstanding Subsection (2), for the purpose of verifying eligibility under Sections 26B-3-106 and 26B-3-903, the commission shall provide an eligibility worker with the Department of Health and Human Services or its designee with the adjusted gross income of an individual if:
- (i) an eligibility worker with the Department of Health and Human Services or its designee requests the information from the commission; and
- (ii) the eligibility worker has complied with the identity verification and consent provisions of Sections 26B-3-106 and 26B-3-903.
- (t) Notwithstanding Subsection (2), the commission may provide to a county, as determined by the commission, information declared on an individual income tax return in accordance with Section 59-10-103.1 that relates to eligibility to claim a residential exemption authorized under Section 59-2-103.
- (u) Notwithstanding Subsection (2), the commission shall provide a report regarding any access line provider that is over 90 days delinquent in payment to the commission of amounts the access line provider owes under Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges, to[-] the board of the Utah Communications Authority created in Section 63H-7a-201.
- (v) Notwithstanding Subsection (2), the commission shall provide the Department of Environmental Quality a report on the amount of tax paid by a radioactive waste facility for the previous calendar year under Section 59-24-103.5.
- (w) Notwithstanding Subsection (2), the commission may, upon request, provide to the Department of Workforce Services any information received under Chapter 10, Part 4,

371 Withholding of Tax, that is relevant to the duties of the Department of Workforce
372 Services.

373 (x) Notwithstanding Subsection (2), the commission may provide the Public Service
374 Commission or the Division of Public Utilities information related to a seller that
375 collects and remits to the commission a charge described in Subsection 69-2-405(2),
376 including the seller's identity and the number of charges described in Subsection
377 69-2-405(2) that the seller collects.

378 (y)(i) Notwithstanding Subsection (2), the commission shall provide to each
379 qualifying jurisdiction the collection data necessary to verify the revenue collected
380 by the commission for a distributed tax, fee, or charge collected within the
381 qualifying jurisdiction.

382 (ii) In addition to the information provided under Subsection (4)(y)(i), the
383 commission shall provide a qualifying jurisdiction with copies of returns and other
384 information relating to a distributed tax, fee, or charge collected within the
385 qualifying jurisdiction.

386 (iii)(A) To obtain the information described in Subsection (4)(y)(ii), the chief
387 executive officer or the chief executive officer's designee of the qualifying
388 jurisdiction shall submit a written request to the commission that states the
389 specific information sought and how the qualifying jurisdiction intends to use
390 the information.

391 (B) The information described in Subsection (4)(y)(ii) is available only in official
392 matters of the qualifying jurisdiction.

393 (iv) Information that a qualifying jurisdiction receives in response to a request under
394 this subsection is:

395 (A) classified as a private record under Title 63G, Chapter 2, Government Records
396 Access and Management Act; and

397 (B) subject to the confidentiality requirements of this section.

398 (z) Notwithstanding Subsection (2), the commission shall provide the Alcoholic
399 Beverage Services Commission, upon request, with taxpayer status information
400 related to state tax obligations necessary to comply with the requirements described
401 in Section 32B-1-203.

402 (aa) Notwithstanding Subsection (2), the commission shall inform the Department of
403 Workforce Services, as soon as practicable, whether an individual claimed and is
404 entitled to claim a federal earned income tax credit for the year requested by the

Department of Workforce Services if:

(i) the Department of Workforce Services requests this information; and

(ii) the commission has received the information release described in Section 35A-9-604.

(bb)(i) As used in this Subsection (4)(bb), "unclaimed property administrator" means the administrator or the administrator's agent, as those terms are defined in Section 67-4a-102.

(ii)(A) Notwithstanding Subsection (2), upon request from the unclaimed property administrator and to the extent allowed under federal law, the commission shall provide the unclaimed property administrator the name, address, telephone number, county of residence, and social security number or federal employer identification number on any return filed under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax Act.

(B) The unclaimed property administrator may use the information described in Subsection (4)(bb)(ii)(A) only for the purpose of returning unclaimed property to the property's owner in accordance with Title 67, Chapter 4a, Revised Uniform Unclaimed Property Act.

(iii) The unclaimed property administrator is subject to the confidentiality provisions of this section with respect to any information the unclaimed property administrator receives under this Subsection (4)(bb).

(cc) Notwithstanding Subsection (2), the commission may, upon request, disclose a taxpayer's state individual income tax information to a program manager of the Utah Fits All Scholarship Program under Section 53F-6-402 if:

(i) the taxpayer consents in writing to the disclosure;

(ii) the taxpayer's written consent includes the taxpayer's name, social security number, and any other information the commission requests that is necessary to verify the identity of the taxpayer; and

(iii) the program manager provides the taxpayer's written consent to the commission.

(dd) Notwithstanding Subsection (2), the commission may provide to the Division of Finance within the Department of Government Operations any information necessary to facilitate a payment from the commission to a taxpayer, including:

(i) the name of the taxpayer entitled to the payment or any other person legally authorized to receive the payment;

(ii) the taxpayer identification number of the taxpayer entitled to the payment;

- 439 (iii) the payment identification number and amount of the payment;
- 440 (iv) the tax year to which the payment applies and date on which the payment is due;
- 441 (v) a mailing address to which the payment may be directed; and
- 442 (vi) information regarding an account at a depository institution to which the
- 443 payment may be directed, including the name of the depository institution, the
- 444 type of account, the account number, and the routing number for the account.
- 445 (ee) Notwithstanding Subsection (2), the commission shall provide the total amount of
- 446 revenue collected by the commission under Subsection ~~[59-5-202(5)]~~ 59-5-202(6):
- 447 (i) at the request of a committee of the Legislature, the Office of the Legislative
- 448 Fiscal Analyst, or the Governor's Office of Planning and Budget, to the committee
- 449 or office for the time period specified by the committee or office; and
- 450 (ii) to the Division of Finance for purposes of the Division of Finance administering
- 451 Subsection ~~[59-5-202(5)]~~ 59-5-202(6).
- 452 (ff) Notwithstanding Subsection (2), the commission may provide the Department of
- 453 Agriculture and Food with information from a return filed in accordance with
- 454 Chapter 31, Cannabinoid Licensing and Tax Act.
- 455 (gg) Notwithstanding Subsection (2), the commission shall provide the Department of
- 456 Workforce Services with the information described in Section 35A-3-105.
- 457 (hh) Notwithstanding Subsection (2), the commission may provide aggregated
- 458 information to the Utah Population Committee, created in Section 63C-20-103, if the
- 459 Utah Population Committee requests the information in accordance with Section
- 460 63C-20-105.
- 461 (5)(a) Each report and return shall be preserved for at least three years.
- 462 (b) After the three-year period provided in Subsection (5)(a) the commission may
- 463 destroy a report or return.
- 464 (6)(a) Any individual who violates this section is guilty of a class A misdemeanor.
- 465 (b) If the individual described in Subsection (6)(a) is an officer or employee of the state,
- 466 the individual shall be dismissed from office and be disqualified from holding public
- 467 office in this state for a period of five years thereafter.
- 468 (c) Notwithstanding Subsection (6)(a) or (b), GOEO, when requesting information in
- 469 accordance with Subsection (4)(n)(iii), or an individual who requests information in
- 470 accordance with Subsection (4)(n)(v):
- 471 (i) is not guilty of a class A misdemeanor; and
- 472 (ii) is not subject to:

- 473 (A) dismissal from office in accordance with Subsection (6)(b); or
474 (B) disqualification from holding public office in accordance with Subsection
475 (6)(b).
- 476 (d) Notwithstanding Subsection (6)(a) or (b), for a disclosure of information to the
477 Office of the Legislative Auditor General in accordance with Title 36, Chapter 12,
478 Legislative Organization, an individual described in Subsection (2):
479 (i) is not guilty of a class A misdemeanor; and
480 (ii) is not subject to:
481 (A) dismissal from office in accordance with Subsection (6)(b); or
482 (B) disqualification from holding public office in accordance with Subsection
483 (6)(b).
- 484 (7) Except as provided in Section 59-1-404, this part does not apply to the property tax.
485 Section 4. Section **59-5-202** is amended to read:
486 **59-5-202 (Effective 01/01/28). Severance tax -- Rate -- Computation -- Annual**
487 **exemption.**
- 488 (1) A person engaged in the business of mining or extracting metalliferous minerals in this
489 state shall pay to the state a severance tax equal to 2.6% of the taxable value of all
490 metals or metalliferous minerals sold or otherwise disposed of.
- 491 (2) If the metals or metalliferous minerals are shipped outside the state, this constitutes a
492 sale, and the finished metals or the recoverable units of finished metals from the
493 metalliferous minerals shipped are subject to the severance tax. If the metals or
494 metalliferous minerals are stockpiled, the tax is not applicable until they are sold or
495 shipped out of state. For purposes of the tax imposed by this chapter, uranium
496 concentrates shall be considered to be finished metals. The owner of the metals or
497 metalliferous minerals that are stockpiled shall report to the commission annually, in a
498 form acceptable to the commission, the amount of metalliferous minerals so stockpiled.
499 Metals or metalliferous minerals that are stockpiled for more than two years, however,
500 are subject to the severance tax.
- 501 (3) An annual exemption from the payment of the tax imposed by this chapter upon the first
502 \$50,000 in gross value of the metalliferous mineral is allowed to each mine.
- 503 (4) These taxes are in addition to all other taxes provided by law and are delinquent, unless
504 otherwise deferred, on June 1 next succeeding the calendar year when the metalliferous
505 mineral is produced and sold or delivered.
- 506 (5) As provided in Section 67-3-23, a person may pay the severance tax imposed under this

section by remitting to the state treasurer an amount of gold equivalent in value to the taxes owed.

~~[(5)]~~ (6)(a) As used in this Subsection ~~[(5)]~~ (6):

(i) "Great Salt Lake element or mineral" means a metalliferous mineral, metal, ore, chloride compound, potash, or salt mined or extracted from the brines of the Great Salt Lake.

(ii) "Great Salt Lake elevation" means the same as that term is defined in Section 65A-17-101.

(iii) "Great Salt Lake extraction operator" means a person who is engaged in the business of mining or extracting Great Salt Lake elements or minerals or metalliferous compounds from the brine of the Great Salt Lake.

(iv) For purposes of each tax imposed under Subsection ~~[(5)(b)]~~ (6)(b), "incremental revenue" means the difference between the sum of the revenue collected for the fiscal year from each of the tax rates imposed under Subsection ~~[(5)(b)]~~ (6)(b) and the revenue collected for the fiscal year from the tax rate imposed under Subsection (1).

(v) "Metalliferous compound" means a metalliferous mineral or a chloride compound or salt containing a metalliferous mineral.

(b) Notwithstanding the exclusion for chloride compounds or salts from the definition of metalliferous minerals under Section 59-5-201 and in lieu of the severance tax imposed under Subsection (1), beginning with calendar year 2025, a Great Salt Lake extraction operator shall pay to the state a severance tax in accordance with the following:

(i) for a Great Salt Lake extraction operator that is not a party or a third-party beneficiary to a voluntary agreement for water rights with an approved beneficial use by a division as defined in Section 73-3-30, a severance tax equal to 7.8% of the taxable value of Great Salt Lake elements or minerals or metalliferous compounds sold or otherwise disposed of;

(ii) for a Great Salt Lake extraction operator that is not a party or a third-party beneficiary to a voluntary agreement for water rights with an approved beneficial use by a division as defined in Section 73-3-30, but does not use evaporative concentrations of Great Salt Lake brines in any stage of the extractive process, a severance tax equal to 2.6% of the taxable value of Great Salt Lake elements or minerals or metalliferous compounds sold or otherwise disposed of;~~[-or]~~

- (iii) for a Great Salt Lake extraction operator that is a party or a third-party beneficiary to a voluntary agreement for water rights with an approved beneficial use by a division as defined in Section 73-3-30:
- (A) a severance tax equal to 2.6% of the taxable value of Great Salt Lake elements or minerals sold or otherwise disposed of, if the Great Salt Lake elements or minerals are extracted during a calendar year when the Great Salt Lake elevation recorded pursuant to Section 65A-17-306 was at or above 4,198 feet in the prior calendar year; or
- (B) a severance tax does not apply to the taxable value of Great Salt Lake elements or minerals sold or otherwise disposed of, if those Great Salt Lake elements or minerals are sold or otherwise disposed of in a calendar year when the Great Salt Lake elevation recorded pursuant to Section 65A-17-306 was below 4,198 feet in the prior calendar year; and
- (iv) notwithstanding Subsection ~~[(5)(b)(iii)]~~ (6)(b)(iii), for a Great Salt Lake extraction operator that is a party or third-party beneficiary to a voluntary agreement for water rights with an approved beneficial use by a division as defined in Section 73-3-30, a severance tax equal to 2.6% of the taxable value of a metalliferous compound sold or otherwise disposed of under a royalty agreement issued under Subsection 65A-6-4(2)(d), entered into on or after May 1, 2024.
- (c)(i) Subject to Subsection ~~[(5)(e)(ii)]~~ (6)(c)(ii), the Division of Finance shall deposit the incremental revenue in accordance with Section 51-9-305.
- (ii) The Division of Finance shall consider the incremental revenue required to be deposited under Subsection ~~[(5)(e)(i)]~~ (6)(c)(i) to be the first revenue collected under this chapter for the fiscal year.
- (iii) The Division of Finance shall deposit the incremental revenue that remains after making the deposit required by Subsection ~~[(5)(e)(i)]~~ (6)(c)(i) into the Sovereign Lands Management Account created in Section 65A-5-1.
- (d) This Subsection ~~[(5)]~~ (6) may not be interpreted to:
- (i) excuse a person from paying a severance tax in accordance with the other provisions of this part; or
- (ii) void a mineral lease or royalty agreement.
- (e) A person extracting metalliferous minerals, including a metalliferous compound, from the brine of the Great Salt Lake is subject to the payment of a royalty agreement under Section 65A-6-4 and the payment of a severance tax under this part.

Section 5. Section **59-5-203** is amended to read:

59-5-203 (Effective 01/01/28). Determining taxable value.

(1) Except as provided in Subsection (3), the basis for computing the gross proceeds, prior to those deductions or adjustments specified in this chapter, in determining the taxable value of the metals, metalliferous minerals, or metalliferous compounds, as defined in Subsection [59-5-202(5)] 59-5-202(6), sold or otherwise disposed of, in the order of priority, is as follows:

(a) If the metals, metalliferous mineral products, or metalliferous compounds are actually sold, the value of those metals, metalliferous mineral products, or metalliferous compounds shall be the gross amount the producer receives from that sale, provided that the metals, metalliferous mineral products, or metalliferous compounds are sold under a bona fide contract of sale between unaffiliated parties. In the case of a sale of uranium concentrates, gross proceeds shall be the gross amount the producer receives from the sale of processed uranium concentrate or "yellowcake," provided that the uranium concentrate is sold under a bona fide contract of sale between unaffiliated parties.

(b)(i) For purposes of a Great Salt Lake extraction operator, as defined in Section 59-5-202, if metals, metalliferous minerals, or metalliferous compounds are not sold, but are otherwise disposed of, the gross proceeds shall be the multiple of the recoverable units of finished or unfinished metals, or of the finished or unfinished metals contained in the metalliferous minerals or metalliferous compounds shipped, and the average daily price per unit of contained metals as quoted by an established authority for market prices of metals for the period during which the tax imposed by this chapter is due.

(ii) The established authority or authorities under this Subsection (1)(b) shall be designated by the commission by rule adopted in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(c)(i) If the metals, metalliferous mineral products, or metalliferous compounds are not actually sold but are shipped, transported, or delivered out of state, the gross proceeds shall be the multiple of the recoverable units of finished metals, or of the finished metals contained in the metalliferous minerals or metalliferous compounds shipped, and the average daily price per unit of contained metals as quoted by an established authority for market prices of metals for the period during which the tax imposed by this chapter is due.

- (ii) The established authority or authorities shall be designated by the commission by rule adopted in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (d) In the case of metals, metalliferous minerals, or metalliferous compounds not sold, but otherwise disposed of, for which there is no established authority for market prices of metals for the period during which the tax imposed by this chapter is due, gross proceeds is determined by allocating to the state the same proportion of the producer's total sales of metals, metalliferous minerals, or metalliferous compounds sold or otherwise disposed of as the producer's total Utah costs bear to the total costs associated with sale or disposal of the metal, metalliferous mineral, or metalliferous compound.
- (e) In the event of a sale of metals, metalliferous minerals, or metalliferous compounds between affiliated companies which is not a bona fide sale because the value received is not proportionate to the fair market value of the metals, metalliferous minerals, metalliferous compounds or in the event that Subsection (1)(a), (b), (c), or (d) are not applicable, the commission shall determine the value of such metals, metalliferous minerals, or metalliferous compounds in an equitable manner by reference to an objective standard as specified in a rule adopted in accordance with the provisions of Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (2) For all metals except beryllium, the taxable value of the metalliferous mineral sold or otherwise disposed of is 30% of the gross proceeds received for the metals sold or otherwise disposed of by the producer of the metal.
- (3) Notwithstanding Subsection (1) or (4), the taxable value of beryllium sold or otherwise disposed of by the producer of the beryllium is equal to 125% of the direct mining costs incurred in mining the beryllium.
- (4) Except as provided in Subsection (3), if the metalliferous mineral sold or otherwise disposed of is sold or shipped out of state in the form of ore, then the taxable value is 80% of the gross proceeds.

Section 6. Section **59-5-207** is amended to read:

59-5-207 (Effective 01/01/28). Date tax due -- Extensions -- Installment payments -- Penalty on delinquencies -- Audit.

- (1) The tax imposed by this chapter is due and payable on or before June 1 of the year next succeeding the calendar year when the mineral is produced and sold or delivered.
- (2) The commission may, for good cause shown upon a written application by the taxpayer,

extend the time of payment of the whole or any part of the tax for a period not to exceed six months. If an extension is granted, interest at the rate and in the manner prescribed in Section 59-1-402 shall be charged and added to the amount of the deferred payment of the tax.

(3) Every taxpayer subject to this chapter whose total tax obligation for the preceding calendar year was \$3,000 or more shall pay the taxes assessed under this chapter in quarterly installments. Each installment shall be based on the estimated gross value received by the taxpayer during the quarter preceding the date on which the installment is due.

(4) The quarterly installments are due as follows:

- (a) for January 1 through March 31, on or before June 1;
- (b) for April 1 through June 30, on or before September 1;
- (c) for July 1 through September 30, on or before December 1; and
- (d) for October 1 through December 31, on or before March 1 of the next year.

(5)(a) If the taxpayer fails to report and pay any tax when due, the taxpayer is subject to the penalties provided under Section 59-1-401, unless otherwise provided in Subsection (6).

(b) An underpayment exists if less than 80% of the tax due for a quarter is paid.

(6) The penalty for failure to pay the tax due or underpayment of tax may not be assessed if the taxpayer's quarterly tax installment payment equals 25% of the tax reported and paid by the taxpayer for the preceding taxable year.

(7) There shall be no interest added to any estimated tax payments subject to a penalty under this section.

(8) The commission may conduct audits to determine whether any tax is owed under this section.

(9) For purposes of a Great Salt Lake extraction operator under Subsection [59-5-202(5)] 59-5-202(6), the Division of Forestry, Fire, and State Lands shall provide the commission by January 15 of each year the information required by Section 65A-17-306, that the commission shall use to determine the amount due and payable on June 1 of the year next succeeding the calendar year.

Section 7. Section **59-5-215** is amended to read:

59-5-215 (Effective 01/01/28). Disposition of taxes collected -- Credit to General Fund.

Except as provided in Section 51-9-305, 51-9-306, or 51-9-307, or Subsection 59-5-202

(5) or (6), a tax imposed and collected under Section 59-5-202 shall be paid to the commission, promptly remitted to the state treasurer, and credited to the General Fund.

Section 8. Section **59-5-306** is enacted to read:

59-5-306 (Effective 01/01/28). Nonrefundable tax credit for payment in gold.

(1) As used in this section:

(a) "Critical mineral" means:

- (i) aluminum;
- (ii) antimony;
- (iii) arsenic;
- (iv) barite;
- (v) beryllium;
- (vi) bismuth;
- (vii) boron;
- (viii) cerium;
- (ix) cesium;
- (x) chromium;
- (xi) cobalt;
- (xii) copper;
- (xiii) dysprosium;
- (xiv) erbium;
- (xv) europium;
- (xvi) fluorspar;
- (xvii) gadolinium;
- (xviii) gallium;
- (xix) germanium;
- (xx) graphite;
- (xxi) hafnium;
- (xxii) holmium;
- (xxiii) indium;
- (xxiv) iridium;
- (xxv) lanthanum;
- (xxvi) lead;
- (xxvii) lithium;
- (xxviii) lutetium;

711 (xxix) magnesium;
712 (xxx) manganese;
713 (xxxi) metallurgical coal;
714 (xxxii) neodymium;
715 (xxxiii) nickel;
716 (xxxiv) niobium;
717 (xxxv) palladium;
718 (xxxvi) phosphate;
719 (xxxvii) platinum;
720 (xxxviii) potash;
721 (xxxix) praseodymium;
722 (xl) rhenium;
723 (xli) rhodium;
724 (xlii) rubidium;
725 (xliii) ruthenium;
726 (xliv) samarium;
727 (xlv) scandium;
728 (xlvi) silicon;
729 (xlvii) silver;
730 (xlviii) tantalum;
731 (xlix) tellurium;
732 (l) terbium;
733 (li) thulium;
734 (lii) tin;
735 (liii) titanium;
736 (liv) tungsten;
737 (lv) uranium;
738 (lvi) vanadium;
739 (lvii) ytterbium;
740 (lviii) yttrium;
741 (lix) zinc; or
742 (lx) zirconium.

743 (b) "Qualified taxpayer" means a taxpayer who:

744 (i) owns or operates a mine as defined in Section 59-5-201, for extracting:

- 745 (A) gold; and
- 746 (B) one or more critical minerals; and
- 747 (ii) as allowed under Section 67-3-23, pays in gold the taxes owed under Part 2,
- 748 Mining Severance Tax, for the taxable year.
- 749 (2) Subject to Subsection (3), a qualified taxpayer may claim a nonrefundable tax credit
- 750 equal to 5% of the qualified taxpayer's liability under Part 2, Mining Severance Tax, for
- 751 the taxable year, excluding any credit available under this section.
- 752 (3)(a) If the qualified taxpayer owns or operates a mine on January 1, 2028, the qualified
- 753 taxpayer may claim a tax credit under this section for a taxable year that begins on or
- 754 after January 1, 2028, and before January 1, 2033.
- 755 (b) If the qualified taxpayer does not own or operate a mine on January 1, 2028, the
- 756 qualified taxpayer may claim a tax credit under this section for a taxable year that
- 757 begins on or after January 1, 2028, and before January 1, 2043.

758 Section 9. Section **65A-6-4** is amended to read:

759 **65A-6-4 (Effective 01/01/28). Mineral leases -- Multiple leases on same land --**

760 **Rentals and royalties -- Lease terms -- Great Salt Lake.**

- 761 (1) As used in this section:
- 762 (a) "Great Salt Lake element or mineral" means:
- 763 (i) a rare earth element;
- 764 (ii) a trace element or mineral; or
- 765 (iii) a chemical compound that includes a rare earth element or trace element or
- 766 mineral.
- 767 (b) "Operator" means, for purposes of provisions applicable to the extraction of a Great
- 768 Salt Lake element or mineral, a person qualified to do business in the state who is
- 769 pursuing the extraction of a Great Salt Lake element or mineral.
- 770 (c) "Rare earth element" is one of the following ores, minerals, or elements located in
- 771 the brines or the sovereign lands of the Great Salt Lake:
- 772 (i) lanthanum;
- 773 (ii) cerium;
- 774 (iii) praseodymium;
- 775 (iv) neodymium;
- 776 (v) samarium;
- 777 (vi) europium;
- 778 (vii) gadolinium;

- (viii) terbium;
- (ix) dysprosium;
- (x) holmium;
- (xi) erbium;
- (xii) thulium;
- (xiii) ytterbium;
- (xiv) lutetium; and
- (xv) yttrium.

(d) "Trace element or mineral" means an element or mineral that is located in the brines or the sovereign lands of the Great Salt Lake that is not in production by July 1, 2020, and for which the state has not received a royalty payment by July 1, 2020.

(2)(a) Mineral leases, including oil, gas, and hydrocarbon leases, may be issued for prospecting, exploring, developing, and producing minerals covering any portion of state lands or the reserved mineral interests of the state.

(b)(i) Leases may be issued for different types of minerals on the same land.

(ii) If leases are issued for different types of minerals on the same land, the leases shall include stipulations for simultaneous operations, except that for leases related to the Great Salt Lake the leases shall include stipulations for simultaneous operations that will not interfere with, impede, limit, or require changes to pre-existing rights.

(c) No more than one lease may be issued for the same resource on the same land.

(d) The division shall require a separate royalty agreement for extraction of Great Salt Lake elements or minerals from brines of the Great Salt Lake when:

- (i) a mineral lease, a royalty agreement, or both that are in effect before the operator seeks to extract a particular Great Salt Lake element or mineral do not expressly include the right to extract the particular Great Salt Lake element or mineral; or
- (ii) the proposed operation will use brines from the Great Salt Lake, but will not occupy sovereign lands for the direct production of Great Salt Lake elements or minerals other than for incidental structures such as pumps and intake and outflow pipelines.

(3)(a) Each mineral lease issued by the division shall provide for an annual rental of not less than \$1 per acre per year, except that a mineral lease issued by the division involving the extraction of a Great Salt Lake element or mineral from brines in the Great Salt Lake shall provide for an annual rental of not less than \$100 per acre per

813 year.

814 (b) However, a lease may provide for a rental credit, minimum rental, or minimum
815 royalty upon commencement of production, as prescribed by rule.

816 (4) The primary term of a mineral lease may not exceed:

817 (a) 20 years for oil shale and tar sands; and

818 (b) 10 years for oil and gas and any other mineral.

819 (5)(a) In addition to the requirements of Chapter 17, Part 3, Mineral or Element

820 Extraction, and subject to the other provisions of this Subsection (5), for a mineral
821 lease or royalty agreement involving the extraction of Great Salt Lake elements and
822 minerals from brines in the Great Salt Lake, the division shall ensure that the
823 following terms, as applicable, are included:

824 (i) an extraction operation or extraction method shall adhere to commercially viable
825 technologies that minimize water depletion;

826 (ii) a provision authorizing the division to curtail or limit Great Salt Lake element or
827 mineral production at any time the condition of the Great Salt Lake reaches the
828 emergency trigger, as defined in Section 65A-17-101;

829 (iii) a provision authorizing the division to withdraw lands, operations, extraction
830 methods, or technologies from Great Salt Lake element or mineral production or
831 Great Salt Lake element or mineral operations;

832 (iv) a provision allowing the division to require an existing operator to use
833 commercially viable, innovative technologies to minimize water depletions caused
834 by the planned mineral extraction as a condition of continued operations if the
835 technology:

836 (A) has been successfully implemented on a commercial scale in similar
837 circumstances;

838 (B) has been shown to be economically viable; and

839 (C) is reasonably compatible with the operator's overall extraction process; and

840 (v) a provision that provides for the reductions of the following after the primary
841 term of a mineral lease or royalty agreement:

842 (A) the acreage subject to the mineral lease by the acreage the operator does not
843 use to extract a Great Salt Lake element or mineral during the primary term of
844 the mineral lease under conditions that do not constitute waste, as defined in
845 Section 65A-17-101; and

846 (B) the volume of water that the operator may divert from the Great Salt Lake, by

- 847 the volume of water that the operator does not use during the longer of the
848 primary term of the mineral lease or seven years if the operator fails to use the
849 volume of water for a beneficial use, except if the failure to use the volume of
850 water is as a result of a reduction of water usage under Section 73-33-201 or is
851 excused under Section 73-1-4.
- 852 (b) If under Subsection (5)(a)(iv) the division requires an existing operator to use a
853 commercially viable, innovative technology, the division may not require use of a
854 technology not yet proven to be commercially viable on the Great Salt Lake and may
855 not require implementation of the technology to begin until after a reasonable period
856 determined by the division that is at least five years but does not exceed seven years.
- 857 (c)(i) If the volume of water that the operator may divert from the Great Salt Lake is
858 reduced under Subsection (5)(a)(v), the division shall pursue a judicial action to
859 declare all or a portion of the water right forfeited under Subsection 73-1-4(2).
- 860 (ii) If the division secures the reduction under this Subsection (5)(c), the division
861 shall petition the state engineer to order a reversal of the application approval in
862 accordance with the terms of the reduction or forfeiture of the water right.
- 863 (iii) Nothing in this Subsection (5) modifies or otherwise affects Section 73-1-4 or
864 73-3-30.
- 865 (6)(a) Before issuing a royalty agreement under Subsection (2)(d), the division may
866 require an operator to engage in a feasibility assessment and may issue a royalty
867 agreement without compliance of Subsection (5)(a) if the agreement:
- 868 (i) has a term of 12 months or less; and
869 (ii) requires a minimum use of five acre-feet of brines from the Great Salt Lake
870 during the term of the agreement.
- 871 (b) Subsection (6)(a)(ii) requiring a minimum use of five acre-feet of brines from the
872 Great Salt Lake does not apply to an operator who filed an application with the
873 division for a feasibility assessment before January 1, 2025.
- 874 (c) The division may make rules, in accordance with Title 63G, Chapter 3, Utah
875 Administrative Rulemaking Act, for implementing this Subsection (6).
- 876 (7)(a) Upon nomination from a prospective operator, the division shall by rule, made in
877 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
878 establish a royalty rate and calculation methodology for a Great Salt Lake element or
879 mineral that:
- 880 (i) provides for a full and fair return to the state from the production of the Great Salt

- 881 Lake element or mineral;
- 882 (ii) is consistent with market royalty rates applicable to the production of the Great
- 883 Salt Lake element or mineral or of the production of oil and gas;
- 884 (iii) provides a base royalty rate;
- 885 (iv) provides a reduced royalty rate from the royalty rate under Subsection (7)(a)(iii)
- 886 if the royalty agreement:
- 887 (A) relates to a non-evaporative method of producing the Great Salt Lake element
- 888 or mineral; or
- 889 (B) provides an incentive to use commercially viable, innovative technology to
- 890 minimize water depletion and evaporation as determined by the division;
- 891 (v) provides a reduced royalty rate from the royalty rate under Subsection (7)(a)(iii) if
- 892 the prospective operator for the extraction of lithium demonstrates to the
- 893 satisfaction of the division that the prospective operator has an agreement with a
- 894 person who will process or manufacture a product in this state, exclusive of any
- 895 primary or secondary lithium processing or manufacturing, using the lithium
- 896 extracted by the prospective operator; and
- 897 (vi) subject to Subsection (7)(e), provides for a royalty rate that is based on the
- 898 highest market value prevailing at the time of the sale or disposal of the following:
- 899 (A) the Great Salt Lake element or mineral; or
- 900 (B) a product the lessee produces from the Great Salt Lake element or mineral.
- 901 (b) Before entering into a royalty agreement permitting the extraction of Great Salt Lake
- 902 elements or minerals, the operator shall:
- 903 (i) demonstrate the proposed operation's commercial viability;
- 904 (ii) certify before operation begins that the operator is not negatively impacting the
- 905 biota or chemistry of the Great Salt Lake; and
- 906 (iii) obtain the approval of the division and the Department of Environmental Quality
- 907 that the certification supports a finding that the operation will not negatively
- 908 impact the biota or chemistry of the Great Salt Lake.
- 909 (c) A new mineral lease for a Great Salt Lake element or mineral in production in the
- 910 Great Salt Lake as of May 3, 2023, is subject to new royalty rates due to emergent
- 911 technologies.
- 912 (d) An operator who as of July 1, 2020, had a mineral lease with the division but not a
- 913 royalty agreement and who is subject to a severance tax under Subsection [59-5-202
- 914 (5)] 59-5-202(6) shall pay a royalty under this section in addition to the severance tax.

(e) The royalty rate described in Subsection (7)(a)(vi) may not be reassessed during the primary term of an initial royalty agreement issued under this section, but may be reassessed upon the conclusion of the primary term.

(8)(a) Except as provided in Subsection (8)(b), an operator who extracts a Great Salt Lake element or mineral from tailings from the production of Great Salt Lake elements or minerals from brines in the Great Salt Lake is subject to this section to the same extent as an operator producing a Great Salt Lake element or mineral from brines in the Great Salt Lake.

(b) An operator that, as of May 3, 2023, has an agreement to recover a Great Salt Lake element or mineral from existing tailings, discarded material, end-use products, or waste products produced from the evaporation and processing of Great Salt Lake brines is not subject to this section, except as to the payment of royalties set by the division under Subsection (7)(a). The division shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, regarding the issuance and termination of a royalty agreement for mineral extraction from tailings, discarded material, end-use products, or waste products produced from the evaporation and processing of Great Salt Lake brines.

(c) An operator that, as of May 3, 2023, has an underlying agreement to recover a Great Salt Lake element or mineral shall obtain an additional agreement for any additional Great Salt Lake element or mineral produced from the tailings, discarded material, end-use products, or waste products newly produced under the underlying agreement. The additional agreement is subject to this section.

(9) The division shall annually report to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee regarding the amount of money collected under this section from royalties provided for in Subsection (7).

(10)(a) In the issuance of royalty agreements for the extraction of lithium from the Great Salt Lake, the division shall prioritize applicants that do not use evaporative concentration of Great Salt Lake brines in any stage of the extractive process.

(b) The division may make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, creating a process for implementing this Subsection (10).

(11) Except in relationship to mineral leases related to the Great Salt Lake, the division shall make rules regarding the continuation of a mineral lease after the primary term has expired, which shall provide that a mineral lease shall continue so long as:

- 949 (a) the mineral covered by the lease is being produced in paying quantities from:
- 950 (i) the leased premises;
- 951 (ii) lands pooled, communitized, or unitized with the leased premises; or
- 952 (iii) lands constituting an approved mining or drilling unit with respect to the leased
- 953 premises; or

- 954 (b)(i) the lessee is engaged in diligent operations, exploration, research, or
- 955 development which is reasonably calculated to advance development or
- 956 production of the mineral covered by the lease from:

957 (A) the leased premises;

958 (B) lands pooled, communitized, or unitized with the leased premises; or

959 (C) lands constituting an approved mining or drilling unit with respect to the

960 leased premises; and

- 961 (ii) the lessee pays a minimum royalty.

- 962 (12) For the purposes of Subsection (11), diligent operations with respect to oil, gas, and
- 963 other hydrocarbon leases may include cessation of operations not in excess of 90 days in
- 964 duration.

- 965 (13)(a) The division shall study and analyze each mineral lease and mineral royalty
- 966 agreement issued on the Great Salt Lake and compare and evaluate whether the
- 967 mineral leases and royalty agreements are representative of current market
- 968 conditions. As part of this study, the division shall:

- 969 (i) make the following determinations for mineral leases:

970 (A) whether the entire surface area described within the mineral lease is being

971 used; and

972 (B) whether the annual lease payments are representative of current market

973 conditions; and

- 974 (ii) for royalty agreements, perform studies and comparative analyses to determine
- 975 whether the state is receiving royalty rates consistent with current market
- 976 conditions.

- 977 (b) By no later than the 2023 November interim meeting, the division shall report the
- 978 division's findings of the study required by this Subsection (13) to the Natural
- 979 Resources, Agriculture, and Environment Interim Committee.

- 980 (14) The division may make rules, in accordance with Title 63G, Chapter 3, Utah
- 981 Administrative Rulemaking Act, for implementing this section.

- 982 (15) The provisions in this section related to extraction of a Great Salt Lake element or

mineral under a mineral lease or royalty agreement apply to a mineral lease or royalty agreement in effect on May 1, 2024, and any mineral lease or royalty agreement entered into after May 1, 2024.

Section 10. Section **65A-17-306** is amended to read:

65A-17-306 (Effective 01/01/28). Certification of eligibility for tax rates.

(1) As used in this section:

(a) "Great Salt Lake element or mineral" means the same as that term is defined in Subsection ~~[59-5-202(5)]~~ 59-5-202(6).

(b) "Great Salt Lake extraction operator" means the same as that term is defined in Subsection ~~[59-5-202(5)]~~ 59-5-202(6).

(2)(a) A Great Salt Lake extraction operator shall by no later than December 31 of each year certify to the division for purposes of determining a severance tax imposed under Subsection ~~[59-5-202(5)]~~ 59-5-202(6) during the next succeeding calendar year, the information listed in Subsection (2)(b).

(b) The Great Salt Lake extraction operator shall certify the following for the calendar year ending on the date the Great Salt Lake extraction operator submits the certification for purposes of determining a severance tax imposed during the next succeeding calendar year:

(i) the Great Salt Lake extraction operator's name;

(ii) the Great Salt Lake extraction operator's tax identification number;

(iii) whether at the time a Great Salt Lake element or mineral is extracted, the Great Salt Lake extraction operator is a party or a third-party beneficiary to a voluntary agreement for water rights with an approved beneficial use by a division as defined in Section 73-3-30;

(iv) if the Great Salt Lake extraction operator is not a party or third-party beneficiary to a voluntary agreement for water rights with an approved beneficial use by a division as defined in Section 73-3-30, whether the Great Salt Lake extraction operator uses evaporative concentrations of Great Salt Lake brines in any stage of the Great Salt Lake extraction operator's extractive process;

(v) whether the Great Salt Lake extraction operator extracted a Great Salt Lake element or mineral when the Great Salt Lake elevation recorded under Subsection (3) is at or above 4,198 feet, and what the Great Salt Lake element or mineral extracted was; and

(vi) other information as determined by the division by rule made in accordance with

Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(c) A Great Salt Lake extraction operator shall submit the certification on a form provided by the division and approved by the State Tax Commission.

(3) The division shall record the Great Salt Lake elevation for purposes of this section and Subsection ~~[59-5-202(5)]~~ 59-5-202(6) as of June 15 to be applied during the next succeeding calendar year.

(4) The division shall forward to the State Tax Commission by no later than January 15 of the year for which the severance tax shall be determined:

(a) the Great Salt Lake elevation level recorded under Subsection (3);

(b) a list of the Great Salt Lake extraction operators who are subject to a severance tax under Subsection ~~[59-5-202(5)]~~ 59-5-202(6);

(c) the Great Salt Lake extraction operator's tax identification number for each Great Salt Lake extraction operator listed in Subsection (4)(b); and

(d) for each Great Salt Lake extraction operator subject to a severance tax under Subsection ~~[59-5-202(5)]~~ 59-5-202(6):

(i) each Great Salt Lake element or mineral or metalliferous compound extracted by the Great Salt Lake extraction operator that is subject to the severance tax; and

(ii) the rate of severance tax that is to be imposed under Subsection ~~[59-5-202(5)]~~ 59-5-202(6).

(5) The division may audit a certification submitted under this section for completeness and accuracy.

(6) The division may take an enforcement action against a Great Salt Lake extraction operator who violates this section.

Section 11. Section **67-3-23** is enacted to read:

67-3-23 (Effective 01/01/28). Collection of tax payments in gold.

(1) As used in this section, "Utah gold" means gold that is produced from mineral deposits located within the state.

(2)(a) A person may pay taxes due under Title 59, Chapter 5, Part 2, Mining Severance Tax, by remitting to the state treasurer's office an amount of Utah gold equivalent in value to the amount of taxes due.

(b) The state treasurer's office shall calculate the value of Utah gold remitted under this section:

(i) as of the day immediately before the day on which the person remits the Utah gold; and

(ii) based on an internationally recognized benchmark gold price, as determined by the state treasurer's office.

(c) The state treasurer's office may not accept gold under this section, unless:

(i) the gold satisfies internationally recognized investment grade purity standards, as determined by the state treasurer's office; and

(ii) the state treasurer's office determines that the gold is Utah gold.

(3) When the state treasurer's office receives Utah gold under this section, the state treasurer's office shall notify:

(a) the commission of the payment, including any information the commission requests; and

(b) the Division of Finance of the value of the Utah gold received.

(4) Upon receipt of a notice described in Subsection (3), the Division of Finance shall credit from the General Fund Budget Reserve Account created in Section 63J-1-312 an amount equal to the value of the Utah gold and distribute the credited money in the same manner as severance tax revenue collected under Title 59, Chapter 5, Part 2, Mining Severance Tax.

Section 12. **Effective Date.**

This bill takes effect for a future taxable year beginning on or after January 1, 2028.