



**Fiscal Note**

**S.B. 268**

2023 General Session  
Lithium Severance Tax Amendments  
by Blouin, N.



**General, Income Tax, and Uniform School Funds**

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$1,000,000	\$2,050,000	\$3,050,000

**State Government**

UCA 36-12-13(2)(c)

Revenues	FY 2023	FY 2024	FY 2025
General Fund	\$0	\$1,000,000	\$1,000,000
General Fund, One-time	\$0	\$2,050,000	\$0
State Endowment Fund	\$0	\$3,050,000	\$1,100,000
Restricted Accounts (FN Only)	\$0	\$0	\$200,000
<b>Total Revenues</b>	<b>\$0</b>	<b>\$6,100,000</b>	<b>\$2,300,000</b>

Adding lithium obtained from chloride compounds and salts to metalliferous severance tax is estimated to increase state severance tax by approximately \$6.1 million in FY 2024 and \$2.3 million in FY2025. Furthermore, it is currently estimated that 20,000 to 25,000 tons of additional lithium will be produced annually beginning in FY 2026. This additional production is estimated to increase severance tax by approximately \$6.5 million annually starting in that year. Changes to severance tax revenues will impact the General Fund, Permanent State Trust Fund and severance tax earmarks in 51-9-306.

Expenditures	FY 2023	FY 2024	FY 2025
Total Expenditures	\$0	\$0	\$0

Enactment of this legislation likely will not materially impact state expenditures.

	FY 2023	FY 2024	FY 2025
<b>Net All Funds</b>	<b>\$0</b>	<b>\$6,100,000</b>	<b>\$2,300,000</b>

**Local Government**

UCA 36-12-13(2)(c)

Enactment of this legislation likely will not result in direct, measurable costs for local governments.

**Individuals & Businesses**

UCA 36-12-13(2)(c)

Adding lithium obtained from chloride compounds and salts to metalliferous severance tax is estimated to increase tax liability for producers by approximately \$6.1 million in FY 2024 and \$2.3 million in FY2025. Furthermore, it is currently estimated that 20,000 to 25,000 tons of additional lithium will be produced annually beginning in FY 2026. This additional production is estimate to increase severance tax liability by approximately \$6.5 million annually starting in that year.

**Regulatory Impact**

UCA 36-12-13(2)(d)

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

**Performance Evaluation**

JR1-4-601

This bill does not create a new program or significantly expand an existing program.

**Notes on Notes**

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.