

**Effective 5/5/2021**

**Superseded 5/3/2023**

**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 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.
  - (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.
  - (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
    - (ii) ending in the fiscal year immediately preceding 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
    - (ii) ending in the fiscal year immediately preceding 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 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, beginning on 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 Oil, Gas, and Mining 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 Oil, Gas, and Mining 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.