

Excise Tax Division Newsletter
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Attention: NEW Tax – Vendors do you sell prepaid wireless communications access?

Prepaid wireless communications access means wireless communications access requiring advance payment that is sold in predetermined units or dollars of which the number declines with use in a known amount. Some examples of these services are:

- The sales price of prepaid wireless calling cards preloaded with minutes or units of airtime.
- The sales price of prepaid wireless phones that are sold for a single, non-itemized or “bundled” price if they are preloaded with more than 10 minutes of airtime or with more than \$5.00 worth of

prepaid wireless service.

- The sales price of a recharge or reload of units or minutes of prepaid wireless airtime whether through the seller’s website, or over the telephone or in person at the seller’s physical location.
- The sales price of prepaid wireless service where the purchaser pays in advance for the unlimited use of the service for a fixed time period, and such service automatically terminates unless additional payment is made.

Effective July 1, 2016, a 1.5 percent (1.5%) tax will be imposed upon prepaid wireless communications access. To identify all those vendors selling prepaid wireless service, the Department mailed a survey to all licensed vendors in December 2015. The survey was to be completed and returned indicating whether the vendor sells prepaid wireless communications access. If you have not received the survey, misplaced it or received it and simply haven’t responded, you may retrieve a copy of the survey from our web site at <http://revenue.wyo.gov>. Under the Department of Revenue heading on the home page review the information in red print, and click the link provided. Instructions for the survey are presented on the next page with a new link displayed for access to the survey itself. We have also placed a link to the survey on our electronic filing system (WYIFS) log in page. Please, print the survey and complete all information requested. Return the completed survey to the department using one of three methods: 1) Mail the survey to the mailing address provided 2) Scan the survey and attach it to an email to dor@wyo.gov 3) Fax the survey to (307)777-3632. The survey indicates it should be returned to the department no later than January 31, 2016. The department has extended this date to ensure all vendors have ample time to comply with this request. It is

imperative that each vendor complete and return the survey immediately.

PLEASE NOTE: *If the survey is not returned, the department has no choice but to conclude that the business does sell prepaid wireless communications access and consequently, the business will be required to file special tax returns in a timely manner beginning with the filing period of July 1, 2016 through July 31, 2016.*

The department will mail all vendors selling prepaid wireless access, as well as those vendors that did not respond to the survey, additional information and instructions for completing the 911 Prepaid Wireless Tax Return. Look for this mailing to come in May 2016. If you receive this information and do not sell prepaid wireless communications access, this will be the last chance for you to notify the department. Otherwise, you will be required to file this return based on the same filing frequency as you file your sales/use tax return. **Please Note:** The Prepaid Wireless Tax Return must be filed using a paper return **only**. There is no option to file the return electronically, at this time.

Tax Rate Changes:

Present:

Effective with the tax return quarter beginning April 1, 2016 there will be no sales, use or lodging tax rate changes.

Future:

Future Tax Rate Changes:
Pursuant to W.S. 39-15-207(c) and 39-16-207(c) notice is given of the following future tax rate changes.

The department is not aware of any sales, use or lodging tax rate changes for the quarter beginning July 1, 2016.

It is prudent to periodically check our website for notices of tax rate changes. It is possible that there will be rate changes effective July 1, 2016 that the department has not been notified of to date. You can access our tax rate charts on line at <http://revenue.wyo.gov>. From the Home page, find the Excise (Sales & Use Tax) Division, click on "Publications" click on Sales & Use Tax Rate Charts. Additionally, there is a Zip Code Directory which combines a listing of all zip codes in Wyoming with the associated sales tax rates. This document is in an Excel format. Please Note: Sales tax rate charts are only updated as rate changes occur.

Legislative Update:

The 63rd Legislative Session adjourned March 4, 2016. For sales and use tax purposes two new bills became law.

House Bill 0067 (Enrolled Act No. 15 Effective July 1, 2016)

This bill adds clarifying language to the existing exemption for sales of meals to senior citizens by senior centers. The clarifying language added includes that meals sold to guest of senior citizens and meals delivered to the homebound are exempt from sales tax.

Senate File 0020 (Enrolled Act No. 23 Effective July 1, 2016)

This bill also adds clarifying language to existing statutes which govern refunds and credits when tax has been erroneously paid, computed or remitted to the department. The new language clearly affirms that any vendor, who erroneously collects tax from a taxpayer and remits the tax to the department, may only seek a refund or credit of the overpaid tax after the vendor has refunded the erroneously collected tax to the taxpayer that originally paid the tax to the vendor. If the vendor is unable to refund the erroneously collected tax to the taxpayer who originally paid it, the tax will not be refunded or credited to the vendor.

Please note: For the complete text of the new laws passed in the Sixty Third Legislative Session please visit the following website, <http://legisweb.state.wy.us>

Attention Oil & Gas Industry Service Providers:

The department is still receiving numerous questions concerning services provided within a 250 foot radius of an oil or gas well bore. The definition of well site changed effective July 1, 2015. The definition no longer uses a prescribed radius to define the well site. A well site is now defined as "an area where production equipment is installed to store or prepare oil or gas for transportation off the well site. Production equipment includes, but is not limited to, wellheads, valves, tanks, dehydrators, heater-treaters, separators, flow lines, meters, flares, vapor recovery units and emission equipment. Except as provided in this paragraph, production equipment for purposes of defining a well site shall not include compressors, off well site gathering lines and processing facilities." This new definition is important to understand because some of the equipment listed in the definition may be located some distance from the well bore but will be considered part of the well site. If you have further questions you may benefit from a review of the Oil & Gas Publication which is available on the department's website at <http://revenue.wyo.gov> or you may always submit your specific questions in writing via e-mail to dor_taxability@wyo.gov to receive a written determination.

Is Labor Taxable:

The department often receives questions concerning whether labor is taxable. The correct answer is, it depends. The taxability of labor, excluding labor within an oil or gas well site, hinges on the type of property that is affected by the labor; real or tangible personal property. In Wyoming, labor performed to real property is not subject to sales tax while labor to tangible personal property is subject to sales tax. Those who perform services/labor to tangible personal property are vendors and are licensed to collect and remit sales tax on their taxable services. A few examples of taxable labor to tangible personal property include; automotive repair, computer repair, automobile detailing, upholstery repair and cleaning, dry cleaning, and jewelry repair. These services are all taxable as they constitute a repair, alteration or improvement of tangible personal property and Wyoming imposes tax on those services. The tax base includes the

labor as well as any materials, supplies and fabrication which become a part of the repair, alteration or improvement of the property. For example, when a mechanic performs an oil change the oil filter, oil and any other supplies which become part of the vehicle repair, as well as the charges for any labor are subject to sales tax.

Educational Webinars:

The department has scheduled many educational seminars to be presented in a webinar format. To review the schedule, please see the department's web site at <http://revenue.wyo.gov> under the "What's New" column. If you do not find a webinar on subject matters of interest, please contact the Education & Taxability Section at dor_taxability@wyo.gov to request a webinar.

Field Offices:

The area code prefix is 307 for all of our field offices.

Casper	266-3621
Cheyenne	777-5211
Gillette	682-6061
Riverton	856-1185
Laramie	742-4207
Powell	754-2686
Rock Springs	382-4531
Sheridan	674-8559
Jackson	734-9354
Torrington	532-5566