



# TAXING ISSUES

WYOMING DEPARTMENT OF REVENUE

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Excise Tax Division

March 2008

*Excise Tax Division Newsletter  
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*This publication is not an official taxability ruling. Your specific facts must be reviewed in detail before we can make official taxability rulings. Please direct your written inquiries for such rulings to the department at the address or fax number listed above. Or e-mail your inquiry to: [dor@wy.gov](mailto:dor@wy.gov). Please be sure to include all pertinent facts in your inquiry. We will respond with written guidance for your particular business transactions.*

## Tax Rate Changes:

### **Present:**

Effective April 1, 2008 the Lincoln County tax rate will increase to 5% from 4%. Also effective April 1, 2008 the Laramie County tax rate will decrease to 5% from 6%.

### **Future:**

There are no sales, use or lodging tax rate changes for the tax return quarter beginning July 1, 2008.

Find our tax rate charts on line at <http://revenue.wy.gov> by clicking on the "Publications" tab in the red banner. Then scroll to "Sales and Use Tax Materials" followed by a click on "Sales and Use Tax Rates." We also have added a Zip Code Directory which combines a listing of all zip codes in Wyoming with the associated sales tax rate. This document is in an Excel format.

**Legislative Summary** The Budget Session of the Fifty Ninth Wyoming Legislature adjourned on March 7, 2008. As this was a budget session there were not many bills that will affect Wyoming taxpayers. **House Bill No. 91 (Enrolled Act 23)** was passed which defines "Direct mail" as the following. "Direct mail" means printed material delivered or distributed by United States mail or other delivery service to a mass audience or to addressees on a mailing list provided by the purchaser or at the direction of the purchaser when the cost of the items are not billed directly to the recipients. "Direct mail" includes tangible personal property supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the package containing the printed material. "Direct mail" does not include multiple items of printed material delivered to a single address.

Wyoming does not currently tax the service of direct mail. However the materials used in the printing of direct mail are taxable to the purchaser.

**Vendors selling snowmobiles, lawn tractors, all-terrain vehicles** should be aware that these items are

specifically **excluded** from the farm implement exemption. The department has also consistently viewed utility vehicles as an excluded item in the exemption. The farm implement exemption also excludes any vehicle titled under chapter 2 of title 31. These vehicles are required to be titled per the Wyoming Department of Transportation, as a multipurpose vehicle. This means these items are taxable when sold in Wyoming unless they are sold to a vendor for subsequent resale.

**Fuel Surcharges:** A fuel surcharge is a non-optional services fee that is included in the sales price to the end consumer and is part of the taxable base. Surcharges are taxable when the underlying goods or services are subject to Wyoming sales tax, as they become part of the sales price or consideration that must be paid in order to receive the product or service. Surcharges are not taxable when the underlying goods or services are exempt or otherwise not subject to Wyoming sales tax. You must determine the taxability of the product or service that the fuel surcharge is associated with to determine the taxability of the surcharge. As an example, charges for employee travel to and from a work site is not subject to sales tax; therefore, the fuel surcharge on that freight or mileage is also not subject to sales tax.

**Warranties:** The sale of a standard warranty (a warranty provided with the purchase of tangible personal property) is subject to sales tax as it is part of the sales/lease price for the tangible personal property. The repairs performed upon tangible personal property under a standard warranty shall **not** be subject to sales tax. An extended warranty is an agreement sold for an additional and separate

cost and provides additional services or extends the timeframe of service coverage. The sale of an extended warranty is not subject to sales tax. However the repairs, alterations, or improvements performed upon tangible personal property under an extended warranty, **are** subject to sales tax. The customer is liable for tax on repair services that are **not** covered by the agreement. The issuer of the agreement is liable for the tax on the repair charges that **are** covered by the agreement. Please be advised that the department views maintenance contracts as a similar agreement covered under the warranty information cited above.

**In-bound and out-bound Freight and Transportation Charges:** In-bound freight is freight charges associated with a wholesale transaction. These freight charges become part of the vendor's retail sales price or cost of good sold like mark-up and overhead. **Example:** Freight or delivery charges on a sticker price for a vehicle, becomes part of the sales price and is subject to tax. This is a charge the manufacturer charges the car dealer to deliver the vehicle to the dealer for sale. Out-bound freight charges are associated with a retail sale and are not subject to sales tax. **Example:** A purchase made from a catalog or over the internet which is delivered to your home. These freight charges are not subject to tax and should be listed separately on the invoice.

**In-Store Coupons and Preferred Card discounts vs. Manufacturer coupons:** An in-store coupon and preferred card discounts reduce the sales price of the item at the time of sale. As such tax is calculated on the reduced sales price. Often in-store coupons or preferred card discounts are issued for a buy one get one free option. In this case the customer purchases an item for \$4.00 and receives an item for free, tax is

calculated on the purchase price of \$4.00.  
**Manufacturers Coupons:** These coupons do **not** reduce the tax base of the sale. A manufacturer's coupon is an agreement with a third-party. The store agrees to accept the coupons and the manufacturer agrees to reimburse the store for the face value of the coupon. In this case the customer purchases an item for \$2.99 and the customer uses a manufacturer's coupon for \$1.00 off. Tax is due on the \$2.99 purchase price, as the \$1.00 is consideration paid by the manufacturer and is included in the taxable sales price.

**New computer system for the Excise Tax Division:** The Excise Tax Division has spent a great deal of time over the last six months documenting requirements for a new sales tax computer system. A few of the contributing factors for undertaking this project are: the legislature has expressed interest in expanding the number of taxing jurisdictions in Wyoming by allowing municipalities to impose their own tax, the desire of the division to be able to offer annual filing to those vendors that would qualify, and the division would also like to be able to expand the web presence and provide a more self-service environment for the taxpayers. The new system is expected to be in use some time in late 2009. Although that seems to be quite some time in the future we want to inform our vendors a couple of items that will affect them directly. The sales/use tax returns will be changing to allow reporting in multiple jurisdictions as well as reporting of multiple tax rates and types. In order to accommodate these changes the return will likely be a multi page form. The self service web portal should ease registration and reporting for our taxpayers, as well as continuing to provide informational resources. The Excise Tax Division is committed to ensuring that the impact on the taxpayers will be minimal and we are also committed to providing

the necessary training and tools they may require.

**Taxpayer Education:** We are continuing our efforts to educate taxpayers on the laws concerning sales/use tax. We use a variety of tools to assist in this ongoing education program. This newsletter, tax publications and bulletins, our internet site, one-to-one taxpayer training, and group seminars are all part of our education program. We are currently planning seminars in Casper, Powell, Gillette, Rock Springs, Jackson and Lander to address educational information in the following areas: general sales/use tax, contractor, oil & gas, religious & charitable agriculture and mining. If you are interested in attending a seminar please visit our website at <http://revenue.state.wy.us> under What's New, or contact us at (307)777-2459 to register for an upcoming seminar or to request a seminar in your area. In addition, if you are interested in hosting a seminar for your organization, we would be happy to work with your business and provide any assistance or training you might require.

**Field Offices:**

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

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|--------------|----------|
| Casper       | 266-3621 |
| Cheyenne     | 777-5211 |
| Gillette     | 682-6061 |
| Lander       | 332-3370 |
| Laramie      | 742-4207 |
| Powell       | 754-2686 |
| Rock Springs | 382-4531 |
| Sheridan     | 674-8559 |
| Thayne       | 883-2934 |
| Torrington   | 532-5566 |