

*Excise Tax Division Newsletter
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In This Issue:

- *New Tax on Prepaid Wireless Communications*
- *Tax Rate Changes*
- *Motor Vehicle Dealers*
- *Freight*
- *Educational Webinars*
- *Field Offices*

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 has mailed all vendors selling prepaid wireless access, as well as those vendors that have not responded to the survey, additional information and instructions for completing the 911 Prepaid Wireless Tax Return. If you have received this information and do not sell prepaid wireless communications access, this is 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, the return must be submitted with payment for the Prepaid Wireless tax only.** This tax must be paid with a separate payment from the sales/use tax return. There is no option to file the return electronically, at this time.

Tax Rate Changes:

Present:

Effective with the tax return quarter beginning July 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.

Effective with the tax return quarter beginning October 1, 2016 there will be the following sales, use, and lodging tax rate changes in Wyoming.

- Effective October 1, 2016 the lodging tax rate in the Town of Lusk will increase to 3%, as voters of the Town of Lusk voted to approve an increase of the lodging tax rate.

It is prudent to periodically check our website for notices of tax rate changes. It is possible that there will be rate changes effective October 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.

Motor Vehicle Dealers:

The Department has received numerous requests for refund of sales tax paid on the purchase of motor vehicles, as the allowance for a trade-in vehicle was not allowed by the treasurer's office at the time of registration, but was allowed by the dealer at the time of purchase. In order for a trade-in to reduce the taxable base of the vehicle being purchased the vehicle being traded must be titled in the same name as the purchaser of the new vehicle because only the owner of the trade-in can initiate the trade. The trade in value of the vehicle may be deducted from

the sales price of the new vehicle per W.S. 39-15-105(a)(ix)(A) which states, "For the purpose of avoiding application of the sales tax more than once on the same article of tangible property for the **same** taxpayer: The trade-in value of tangible personal property shall be excluded from the sales price of new tangible personal property when the trade-in and purchase occur in one transaction." As the statute states, two criteria must be met in order for the exemption to be allowed. First the trade in must be owned by the same taxpayer purchasing the item, and the trade and purchase must occur in one transaction. Please note, this information is also denoted in the instructions portion of the "Wyoming Sales/Use Tax Statement for Motor Vehicle Sales" form that dealers provide to their customers. This form allows for the calculation of sales tax due at the time of registration. The Sales/Use Tax Statement for Motor Vehicle Sales is available on our web site at <http://revenue.wyo.gov>

Are Freight Charges Taxable?

There are two types of freight charges; In-bound freight and out-bound freight. In-bound freight charges whether bundled into the price of the item or service sold or separately stated is subject to Wyoming sales tax. In-bound freight are the freight charges incurred by the seller to get the product to their location for sale and is a component of the sales price for which they sell their product or service. The definition of sales price or the measure subject to sales tax, includes not only the seller's cost of the property sold, materials used, labor or service costs, interest and losses but also includes, among other things all costs of transportation to the seller and any other expense of the seller. In-bound freight is a transportation cost of the seller therefore it is taxable. There is no requirement that the charges be separately stated or included within the price of the item being sold. However, you will almost always see

an in-bound freight charge separately stated when purchasing a vehicle. Usually referred to as a dealer delivery charge, this is the freight charge the dealer had to pay to get the vehicle to his lot to sell. This charge becomes part of the taxable base of the vehicle in the retail transaction.

In contrast, out-bound freight, or the freight charge incurred by the buyer to get the product delivered to the location of their choosing is not subject to sales tax provided it is separately stated on the invoice presented to the customer. Wyoming Statutes specifically exempt from sales tax intrastate and interstate transportation of freight associated with a retail sale.

Educational Webinars:

In the past several years the Department has scheduled numerous on site educational seminars. However due to budget constraints, the department will conduct most of the educational seminars in a webinar format. Education webinars are currently scheduled and more webinars will be scheduled in the near future. 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