

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. 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:

There are no sales/use tax rate changes effective July 1, 2008.

Future: Effective with the tax return quarter beginning October 1, 2008 there will be three (3) sales/use tax rate changes in Wyoming.

- ➔ The sales/use tax rates for Laramie County will increase to 6%; the total lodging tax rate will be 10%.

- ➔ The sales/use tax rates for Fremont County will decrease to 4%.

- ➔ The sales/use tax rates for **Teton Village Resort District** will increase to 8%; [Notes: **This sales/use tax rate increase for Teton Village Resort District is not to be confused with the sales/use tax rate for Teton County which remains at 6%**]

It is prudent to periodically check our website for notices of tax rate changes. It is possible that there will be additional changes effective October 1, 2008 that the department has not been notified of to date. You can access 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.

Vendors accepting trade-in's: The trade-in value of tangible personal property is excluded from the sales price of new tangible personal property when the trade-in and the purchase occur in one transaction, provided that tax was paid on the original purchase price of the item being used for a trade in. **Example:**

Purchase of a new motorcycle	
Purchase:	\$30,000.00
Trade-In value	\$10,000.00
Sub total	\$20,000.00
Tax Rate	5%
Tax due	\$1,000.00

The trade-in value is allowed to avoid the application of sales tax more than

once on the same item for the same taxpayer.

Manufacturer rebates for motor vehicles: A manufacturer rebate exchanged at the time of the purchase of a motor vehicle is excluded from the sales price. Just as in the example of the trade-in allowed at the time of sale, a rebate offered by the manufacturer of the vehicle reduces the actual sales price of the vehicle and tax is calculated on the reduced sales price.

Tax application for the Lease or rental of Motor Vehicles: Each payment of a lease or rental requiring recurring periodic payments is sourced to the primary property location. **Example:** A lease of a motor vehicle is made in Colorado the vehicle will be located in Laramie County, WY. The tax associated with the payments due through the lease stream will be sourced to Laramie County. Currently the tax rate charged on the monthly lease payments will be 5%. As of October 1, 2008, the tax rate associated with the monthly lease payments will increase to 6% due to the tax rate increase noted above.

If at a point during the lease stream the primary property location changes the sourcing of the tax would change as well. **Example:** For the first six months of the lease stream the tax was sourced to Laramie County. After the first six months of the lease the vehicle was moved to Sublette County. The subsequent payments due on the lease would be sourced to Sublette County at the Sublette County tax rate.

The primary property location is the address for the leased property given

to the lessor by the lessee. The lessee will be required to update the location address of the leased property during the lease stream. The property location is not altered by intermittent use at different locations.

Short term rentals of motor vehicles that do not require recurrent payments are sourced to the location where the purchaser takes receipt of the rental vehicle. **Example:** A customer rents a vehicle for the weekend from a local car rental dealer. The customer picks up (receives) the vehicle at the dealers location, the sale would be sourced to the business location of the dealer.

Vendors who also act as contractors: Vendors often act as a contractor when they install tangible personal property in a real property application. **Vendor Example:** A vendor that refinishes cabinets at their business location would charge tax to their customer for the labor and materials that goes into the repair.

Contractor Example: When a vendor installs cabinets in a home he is acting as a contractor. The contractor is the consumer of the materials, supplies, fixtures and taxable services purchased to perform the contract. The contractor pays the sales tax on these items to their supplier and builds that cost into the bid price of the project. The labor to install the cabinets into the real property is not subject to tax. So when the contractor invoices his customer there will be no tax on the invoice.

When a vendor acts in these dual role situations they may purchase their inventory wholesale for resale (without the payment of tax), then the when billing a customer for a retail sale (without installation to real property) the vendor will charge the customer tax on the item as well as any labor required on a repair.

When conducting an installation to real property the contractor will assume the tax on all materials,

supplies, fixtures and taxable services purchased to perform the contract. When billing for the contract no tax will be added to the invoice.

Guides & Outfitters: Fees that are paid for the skill and or direction of guiding services for float trips, fishing trips, hunting trips, horseback trips, mountain biking, and other guided tours are not taxable, provided the non-taxable fees are separately stated on the billing invoice from taxable charges. If the non-taxable fees are not separately stated the entire invoice is subject to tax.

The sales of lodging services provided by a guide or outfitter, including, placements of tents, snow shelters, base camps and other temporary structures are exempt from any lodging tax imposed in that locality. However these lodging services are still subject to sales tax.

If a lodging service is purchased by a licensed guide/outfitter that service may be purchased exempt from sales tax as a purchase for resale. The tax will be collected by the guide/outfitter from their customers on the final invoice. Any applicable lodging tax pertaining to lodging other than the temporary shelters mentioned above must be paid to the lodging vendor by the guide/outfitter.

Taxability! Get it in Writing:

Do you have a question or concern about whether you are doing what you need to do for sales/use tax purposes? Play it safe, and put your questions to us in writing. We will provide you written answers which you can rely on if ever audited. Please supply as much detail as possible in your written request. This will alleviate the possibility of delays caused by requests for additional information from you. You can e-mail us your questions at dor_taxability@wy.gov , or fax them to (307)777-3632 attention Education and Taxability Section.

Upcoming Educational Seminars:

We will be conducting four free sales/use tax seminars in Rock Springs on August 27th and 28th. On the 27th we will conduct a General Sales/Use Tax Seminar and a Lodging Tax Seminar. On the 28th we will be conducting a Contractor Seminar and an Oil and Gas Seminar. In September we will be conducting seminars in Jackson. On September 16th we will be conducting a General Sales/Use Tax Seminar and a Lodging Tax Seminar. On September 17th we will present a Religious and Charitable Seminar as well as a Contractor Seminar. If you are interested in attending these seminars, please contact the department at (307)777-2459 or via e-mail at dor_taxability@wy.gov with your name, company, e-mail address, mailing address and telephone number.

Please review our website for any upcoming seminars you may wish to attend. We post all of our scheduled seminars on our website at <http://revenue.state.wy.us> Under What's New.

Field Offices:

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

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