

Excise Tax Division Newsletter  
Herschler Building  
122 W. 25<sup>th</sup> Street  
Cheyenne, WY 82002-0110

Director  
Edmund J. Schmidt

Staff  
Daniel W. Noble, Administrator  
Richard Reynders, Western District Manager  
Donna Campbell, Eastern District Manager  
Robert Tompkins, Taxpayer Services Manager

Phone (307) 777-5200

FAX (307) 777-3632

Internet Address:  
<http://revenue.state.wy.us>

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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 Robert Tompkins at the address or fax number listed above. Be sure to include all pertinent facts in your inquiry. Or e-mail your inquiry to:*

[Robert.Tompkins@wy.gov](mailto:Robert.Tompkins@wy.gov)

*We will respond with written guidance for your particular business transactions.*

*Effective October 1, 2004:*

**Sweetwater County's sales/use tax rate decreases to five percent (5%) and Uinta County's sales/use tax rate also decreases to (5%).**

**Effective January 1, 2005:**

**Goshen County's sales/use tax rate decreases to four percent (4%).**

It is prudent to periodically check our website for notices of tax rate changes. You can do so at our Internet address located in the information block at the top of the preceding column. Click on "Publications" and scroll to the heading "Sales and Use Tax Materials." Click on "Sales and Use Tax Rates" followed by a click on "Notice of Future Tax Rate Changes."

Voters in many Wyoming counties will be voting on ballot initiatives seeking increases in sales, use or lodging taxes in this November's general election. If any of these initiatives pass, the tax increases will take effect on April 1, 2005. Here again, notice of tax rate changes for specific counties can be found on our website.

**Time of Sale & Tax Rate:** A sales tax event occurs when a taxable service is rendered. A sales tax event also occurs when title or possession of tangible personal property transfers from a seller to a purchaser for consideration. For example, a taxable service occurs in Uinta County in September 2004. A vendor invoices for the taxable service at the end of September and receives payment in October. Sales tax for this transaction must be remitted on the vendor's September return to the Department of Revenue by October 31, 2004. The

sales tax rate for Uinta County is 6% throughout September but it reduces to 5% effective October 1, 2004. Does the vendor remit to the Department of Revenue 6% or 5%? The vendor must remit 6% in sales tax because 6% was the tax rate in effect in Uinta County at the time of the taxable service. It is incorrect to apply the October tax rate to the September return filed by the vendor.

**Tax Education Bulletins:** Currently on our website we have posted the following issue specific tax bulletins:

- Paper Records vs. Electronic Imaged Records (Issued 10/27/03)
- Gratuities (Issued 10/27/03)
- Deductions for Bad Debt (Issued 1/14/04)
- Freight/Transportation Charges (Revised 4/1/04)
- Double Taxation Myths (Revised 7/8/04)
- Coupons and Discounts (Issued 4/8/04)
- Warranties (Issued 5/10/04)
- Resort Districts (Issued 5/20/04)
- Manufacturing Exemption Information (Issued 7/1/04)
- Sale of Used Tangible Personal Property (Issued 7/9/04)

More bulletins are coming. We will post them to our website promptly upon completion. If you do not have access to our website, please contact the field office near you or our Cheyenne office. We will provide you a copy of the bulletin(s) you need.

**Updated Exemption Form:** Our Exemption Certificate, (ETS 101), has been updated effective July 1, 2004. The major change created a space for

the new manufacturing machinery exemption on line 9 of the exemption certificate. Our exemption certificate is available via our website. Click on "Forms" in the red banner of our main page. Under the "Excise" heading click on "Exemption Forms."

**Properly Documented Religious & Charitable Exemptions:** Religious and charitable organizations must furnish Wyoming vendors two documents to exempt their transactions from sales tax. Those documents are a completed Exemption Certificate (ETS 101) and a copy of their letter of authority issued by the Department of Revenue. Vendors must retain these documents in their files for three (3) years for audit purposes. W.S. 39-15-107(a)(ii). Some religious and charitable organizations are mistaken in their belief that their federal tax identification number suffices to exempt their transactions from Wyoming sales tax. It does not. Federal tax identification numbers are issued by the Internal Revenue Service for income tax purposes. Such numbers are invalid for Wyoming sales tax purposes. The proper "number" for a religious or charitable organization to purchase sales tax exempt in Wyoming is a Revenue Identification Number. This number, known as a RID, is issued to religious and charitable organizations we have approved to purchase sales tax exempt in Wyoming.

Our publication for lodging vendors contains a sample copy of our letter of authority. To view on our website, click on "Publications" in the red banner of our main page. Then scroll to "Sales and Use Tax Materials." Click on "Sales & Use Tax Publications for Specific Industries" followed by a click on "Lodging Tax Publication #3." See page 9 of the publication.

**Vendors Beware:** Advertising the assumption of a purchaser's sales tax is illegal. Wyoming law at W.S. 39-  
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15-108(c)(iii) states: "No vendor shall advertise or state directly or indirectly to the public that the taxes imposed by this article shall be assumed by the vendor or that it will not be considered in the price, or if added, will be refunded."

Recently, it has come to our attention that some vendors are not complying with this law. Please be on notice that Wyoming law specifies that each violation of this statute is a separate misdemeanor offense. W.S. 39-15-108(c)(vii).

**Taxability Issues for Barber Shops & Beauty Salons:** Wyoming law imposes sales tax on some services performed in Wyoming. W.S. 39-15-103. The services of barbers and beauticians are not specifically listed as taxable services for sales tax purposes in Wyoming law. Thus barbers and beauticians do not have to license as vendors for the services they perform. There is, however, more to consider.

Many barber shops and salons make retail sales of hair care products to their customers. These transactions are subject to sales tax. W.S. 39-15-103(a)(i)(A) imposes sales tax on all retail sales of tangible personal property in Wyoming, unless an exemption applies.

And, there is yet another tax issue for barber shops and salons to consider. Who bears the tax liability for hair care product that a barber or beautician uses in performing their services? The answer is the barber or beautician bears the tax liability. In this instance, the barber or beautician is the end consumer of the product and is liable for sales tax. Typically, the barber or beautician purchases all hair care products tax exempt as wholesale for resale transactions. As noted above, some product will be sold retail to customers and the tax is collected and remitted to the state by the barber or beautician. However, for the

product used by the barber or beautician, sales tax is due based on their wholesale price paid. Our rule for "Purchases by Businesses" states: "Purchases by businesses and professional persons of equipment, tools and supplies for use in conducting their businesses or professions shall be subject to the sales or use tax." *Wy Dept of Rev Rules, Chap 2, Sec. 15(cc)*.

**Tax Education Seminars:** We conduct tax education seminars in Wyoming upon request. To request a seminar please submit to us a completed "Seminar Request Form" (ETS 126). For this form go to our website's main page and click on "Forms" in the red banner. On the page that appears go to "Excise" and click on "Miscellaneous Excise Forms." In the drop down click on "Seminar Request Form."

Notice of upcoming seminars will be posted under the "What's New?" section of our website's main page. Our seminars are tailored to fit our audience. We encourage questions! PowerPoint presentations are often a component of our seminars. Lastly, we will furnish certificates of attendance for those needing them for continuing education requirements.

**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