

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 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

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

Attention Out of State Vendors:

Effective January 1, 2006 we are phasing out form 10 tax returns for out of state vendors. All out of state vendors will complete a form 11 to report Wyoming sales/use tax. This change permits vendors to report both sales and use tax in any county on one return. ***Please note that the form 11 is substantially different from the form 10 in how tax is reported. For example, Form 11 Column 4 A asks for "Sales Tax Collected" and Column 4 B asks for "Use Tax owed on Vendor's Purchases."*** For a website example of our Form 11, click on "Forms" in the red banner of our main web page and scroll to the heading Excise (Sales, Use, Cigarette and Estate Tax). Then click on "Sales/Use Tax Returns (Forms, Worksheets and Examples)." Follow that with a click on "ETS Form 11 Example." Please call (307)777-3745 if you have any questions.

Exempt Purchases for Resale by Out of State Vendors:

Wyoming vendors have asked us to clarify the proper documentation for purchases for resale made by out of state vendors in Wyoming. All licensed vendors making exempt purchases for resale must provide Wyoming vendors completed exemption certificates. Either our ETS Form 101 or the Streamlined Sales and Use Tax Agreement version is acceptable. Both are available on our website. Click on "Forms" in the red banner. Scroll to the heading "Excise" and click on "Exemption/Power of Attorney Forms." Remember, our ETS Form 101 Exemption Certificate is being phased out effective June 30, 2006. After that time use only the Streamlined Sales Tax Agreement version in Wyoming.

Out of state vendors must also attach a copy of their home state sales tax license or resale permit number to the completed exemption certificate that they give to a Wyoming vendor. For out of state vendors located in non-sales tax states evidence of business registration in their home state attached to the completed exemption certificate is acceptable.

Tax Rate Changes:

Past: The 2% **lodging tax rate** was repealed for the City of Gillette in Campbell County effective July 1, 2005.

Present: Effective October 1, 2005 the **sales/use tax rate** for Campbell County increases from 5% to 5.25%. See tax rate chart on our website. Click on "Publications" in the red banner. Scroll to "Sales and Use Tax Materials" followed by a click on "Sales and Use Tax Rates."

Future: There are no sales, use or lodging tax rate changes effective January 1, 2006. Changes may occur on April 1, 2006 based on county elections on November 8, 2005. If rates will change in April we will provide notice in our December *Taxing Issues*.

Posting Delays and Posting Errors:

Our computer system optically scans returns. Our system rejects returns that are incomplete. Please use a bold black pen when completing returns. Fine pens and most color pens are not legible when the return is scanned. Common problems resulting in posting delays and/or posting errors include:

1. Vendor does not use our form. Our form is pre-printed with a bar code uniquely identifying seller and filing period.
2. No signature.

3. Taxable sales instead of gross sales listed on line 1.*
4. Calculation errors.
5. Column 4B does not add to line 3. (form 10 only)
6. Vendor sends a copy instead of the original return. Our scanner will only read the bar code on an *original* return.
7. Vendor alters the filing period information on the return. The bar code does not match once a return has been altered.
8. Use of commas and decimals.
9. Failure to enter the full number. (e.g. with all zeros)

* Line 1 is for gross sales. Line 2 is for deductions. Line 3 is for taxable sales.

Web Based Filing: For the past several years Kay Havner has done an excellent job of handling our web based filer accounts. Due to the popularity of our program our web based filer population has grown significantly. As a result, our web based filer accounts have now been distributed to our three (3) region service teams in “Vendor Operations.” Our region service teams are assigned specific Wyoming counties, states, districts and countries. For the region service team that handles your account please go to our website and click on “Forms” in the red banner. Scroll to “Online Services” and click on “Sales and Use Tax” followed by a click on “Wyoming Sales/Use Internet Filing Service Electronic Agreement.” The last page of the Agreement contains contact information for our region service teams.

Lease Sourcing Rules: We have incorporated into our sales and use tax rules the sourcing rules in the Streamlined Sales and Use Tax Agreement. [Wy Dept of Rev Rules, Chap 2, Sec 5(b)-(d)] Previously in Wyoming all equipment leases, for example, were sourced to the Wyoming County where possession passed from lessor to lessee. The sales tax for the lease continued to be

sourced to that location as long as the original agreement remained in force. Now sourcing hinges on whether an equipment lease requires recurring periodic payments or not.

If an equipment lease does not require recurring periodic payments the lease is sourced the same as a retail sale in Wyoming. The lease is sourced to the location where possession of the equipment passes from lessor to lessee. No change from our previous rule. ***A non-recurring periodic lease payment scenario follows:*** An equipment lease is for thirty (30) days or less. Possession of the equipment passes from lessor to lessee in Casper, Wyoming. The lease is sourced to Natrona County, Wyoming and taxed at its 5% sales tax rate.

If an equipment lease requires recurring periodic payments ***only the first periodic payment*** is sourced the same as a retail sale in Wyoming. ***Periodic payments made subsequent to the first periodic payment are sourced to the primary property location for each period covered by the payment.*** The primary property location is based on the address for the property provided by the lessee to the lessor from its records maintained in the ordinary course of business. The property location is not altered by intermittent use at different locations such as business trips and service calls. ***A recurring periodic lease payment scenario follows:*** An equipment lease is for more than thirty (30) days. For example, for one year for a project in South Dakota. Possession of the equipment passes from lessor to lessee in Casper, Wyoming. The first periodic payment is sourced to Natrona County, Wyoming and taxed at its 5% sales tax rate. All subsequent lease payments are sourced to South Dakota based on the primary property location of the equipment.

Revised Lodging Publication: Effective August 2005 we have

revised our educational publication for lodging vendors. We encourage lodging vendors to print a copy from our website. To do so, click on “Publications” in the red banner on our website’s main page. Scroll to “Sales and Use Tax Materials” and click on “Sales and Use Tax Publications for Specific Industries.”

Wyoming and South Dakota Border Issues Seminars: We are teaming up with our Department of Revenue counterparts in South Dakota to present two border issues seminars. South Dakota will host a seminar in Rapid City on October 24th. Wyoming will host a seminar in Gillette on October 25th. The morning agenda both days will focus on sales/use tax issues for both states. The afternoon agenda both days will focus on contractor issues for both states. The South Dakota Department of Revenue is handling seminar registrations. You can register for either seminar by telephone at 1-800-829-9188. You can also register online at www.state.sd.us/drr2/seminar/classreg.htm

Wyoming Excise Tax Division Field Offices:

Casper	307-266-3621*
Cheyenne	307-777-5211
Gillette	307-682-6061
Lander	307-332-3370
Laramie	307-742-4207
Powell	307-754-2686
Rock Springs	307-382-4531
Sheridan	307-674-8559
Thayne	307-883-2934
Torrington	307-532-5566

* Our Casper field office has reopened. Dale Paulley is our new field representative. Dale’s new office location is 800 Werner Court, Suite 145.