

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

Director
Edmund J. Schmidt

Staff
Daniel W. Noble, Administrator
Donna Campbell, Vendor Operations
Manager
Terri Lucero, Taxpayer Services Manager

Phone (307) 777-5200

FAX (307) 777-3632

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

In This Issue:

- **Tax Rate Changes**
- **Renewable Energy Exemption Update**
- **New Vehicle Purchases**
- **Information for Towing Companies**
- **Other Taxability Information**

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.

Interest Rate Change:

Effective January 1, 2010 the interest rate for delinquent sales/use tax accounts will change to an annual percentage rate of 7.897%. The equivalent daily interest rate is .022%. Annually

the State Treasurer establishes the interest rate according to a statutory formula.

Tax Rate Changes:

Present:

Effective with the tax return quarter beginning January 1, 2010 there will be the following sales, use and lodging tax rate changes in Wyoming.

- Sweetwater County's sales tax rate will decrease to 5%.
- The lodging tax rate for the Town of Guernsey will be 2%.

** Effective January 1, 2010 the combined sales and lodging tax rate for the Town of Guernsey will be 8%.

** Effective January 1, 2010 the combined sales and lodging tax rate for Sweetwater County will be 7%.

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.

The department is not aware of any sales, use or lodging tax rate changes for the tax return quarter beginning April 1, 2010.

It is prudent to periodically check our website for notices of tax rate changes. It is possible that there will be rate changes effective April 1, 2010 that the department has not been notified of to date. You can access our tax rate charts online at <http://revenue.wy.gov> by clicking on the "Publications" tab in the red banner. Then scroll to "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 rates. This document is in an Excel format.

Renewable Energy Exemption Update:

The department issued an article in the September 2009 Taxing Issues concerning the Renewable Energy Exemption. Since that time, the department has had the opportunity to meet with the industry, and based on those meetings the department has updated our requirements. While we still anticipate reviewing the written contract between the developer and the landowner, for purpose and payment stream, the department will only require that the developer issue an affirmative statement of evidence that the required permits for construction have been obtained. This statement would include the list of permits, permit numbers (if applicable) and date of issuance. For additional information concerning this exemption please review our "Amended Policy Statement" for this exemption on our website at <http://revenue.state.wy.us> This policy is located on the home page under the "What's New" heading on the left side of the page.

Policy Statement Concerning the Sourcing of Specific Telecommunications:

The department has posted a policy statement on our website concerning sourcing of ancillary and prepaid wireless calling services. To view this statement, please visit our home page at <http://revenue.state.wy.us> the statement is located under the "What's New" heading on the left hand side of the page.

Update on Excise Tax Division's New Computer System:

In our last update to you, our vendors, we anticipated our new computer system to be released in late 2009. As plans sometimes go, that deadline will not be met. This new computer system will not only affect our staff, but to some extent will affect the taxpayers of the State. With the roll out of our system our taxpayers will receive new paper sales/use tax returns. If you are a taxpayer that currently files on-line that system will be updated as well. It is our goal to make the switch to the new system as painless as possible for the taxpayers of this State. To meet that goal we have decided that a delay in the deadline is better than releasing the system before we believe it is ready. We will be traveling around the state to offer training courses on the new sales tax returns, as well as the new on-line filing system. As we get closer to a release date and we have scheduled our training courses we will be posting that information on our website, as well as in the Taxing Issues, and we will also mail information to all the licensed vendors.

For Your Information:

Legislative Session:

The 2010 Session of the Wyoming State Legislature will convene on February 8, 2010. This is a budget session. The March 2010 issue of this publication will include a legislative summary on bills effecting sales/use and lodging tax. If you would like to review bills being considered by the legislature during the session, you may do so by visiting the following website: <http://legisweb.state.wy.us>.

Records Retention:

Wyoming Statutes require business owners to preserve suitable records and books necessary to determine the amount of tax they are liable for, for no less than a period of three (3)

years. A good rule of thumb to follow is to retain the current year, plus the past three years. These records should include; invoices, purchase orders, copies of contracts, bills of lading, delivery slips, etc...

You should retain indefinitely; Streamlined Sales Tax Agreement Certificates of Exemption as well as copies of Direct Pay Permits. These documents are perpetual, and provide evidence of those sales for which no tax was charged.

Sale of a business excluded from sales tax:

Wyoming Statutes allow for, eleven exclusions from sales tax when assets are transferred due to a formation, dissolution and/or transfers of interest in the company to the company's stockholders. If you are requesting a business transfer exclusion the department would require review of the balance sheet reflecting the value of the of the business entity sold, the purchase agreement and other related documents which would establish the value of the assets sold. We review these documents as some of the pertinent statutes require a sales threshold be met. The second requirement is that the assets are to continue to be used in an ongoing business entity in Wyoming. We confirm this with Wyoming's Office of the Secretary of State by verifying that the purchaser's business entity is registered with their office. The statutory language also requires that sales/use tax must have been paid by the seller on any tangible personal property transferred as a result of the sale. When motor vehicles are involved the department must also review the current registrations in order to verify that tax had previously been paid by the seller. We are precluded from looking back more than a three (3) year period under our records retention statutes. When motor vehicles are involved in the sale, and we have reviewed all the necessary documents, the department will issue a determination letter

indicating our findings. For additional information on these exclusions, please review our bulletin titled "Sales of Businesses Excluded from Sales/Use Tax" on our website at <http://revenue.state.wy.us> On our home page, click on the "Publications" tab, and scroll down to "Sales and Use Tax Materials", click on the second item listed under that heading, "Sales & Use Tax Bulletins" an expanded menu will be displayed, the aforementioned bulletin is bulletin 14.

Taxability - Get it in Writing:

Do you have questions regarding how sales/use tax may apply to your business? If so we encourage you to put your question in writing to the department. We will provide you written answers which you can rely on if your business is ever audited. Please supply as much detail as possible in your written request. This will alleviate the possibilities 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 & Taxability Section.

Taxpayer Education:

We are continuing our efforts to educate taxpayer on the laws concerning sales, use and lodging tax. We will begin to schedule sales tax seminars for 2010 in the near future. If you are interested in attending a seminar please contact our office at (307)777-2459 or e-mail us at dor_taxability@wy.gov We post all of our scheduled seminars on our web site at <http://revenue.state.wy.us> under the "What's New" heading.

The department would like to wish all of you a very happy and safe holiday season and a happy new year.