



TAXING ISSUES

WYOMING DEPARTMENT OF REVENUE

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Excise Tax Division

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*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:

Present:

Effective with the tax return quarter beginning January 1, 2011 there will be no sales/use or lodging tax rate changes. Teton County voted to continue their specific purpose option tax in the August 2010 election,

therefore the sales tax rate in Teton County remains at 6%. Lincoln County approved the continuation of the 1% General Purpose option tax during the August 2010 election and therefore, the rate in Lincoln County will remain at 5%.

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 April 1, 2011 there will be the following sales, use and lodging tax rate changes in Wyoming.

- The voters of Goshen County approved the imposition of .25% economic development tax in the November 2010 election. The sales and use tax rate for Goshen County will increase to 5.25%.
- The voters of Sweetwater County approved the imposition of a 1% specific purposes option tax in the November 2010 election. The sales/use tax rate for Sweetwater County will increase to 6%.
- The voters of Washakie County approved the imposition of a 1% specific purpose option tax in the November 2010 election. Therefore effective April 1, 2011 the sales/use tax rate will increase to 6% for in Washakie.
- The voters of Teton County approved the imposition of a 2% lodging tax. Therefore effective April 1, 2011 the combined sales and lodging tax rate in

Teton County will be 8%. The combined sales and lodging tax rate in Teton Village Resort District will be 10% effective April 1, 2011.

- Effective April 1, 2011 the combined sales and lodging tax rate for Goshen County will be 9.25%.
- Effective April 1, 2011 the combined sales and lodging tax rate for Sweetwater County will be 8%.
- Effective April 1, 2011 the combined sales and lodging tax rate for Washakie County will be 10%.

It is prudent to periodically check our website for notices of tax rate changes. It is possible that there will be other rate changes effective April 1, 2011 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 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.

For your information:

The 2011 General Session of the Wyoming Legislature will convene on January 11, 2011. The March 2011 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>.

Publications and Bulletins concerning sales and use tax issues available on our website:

The department has several educational bulletins and publications available on our website. We have a new publication available for the lodging industry called the lodging matrix. This may not answer all the questions that may arise but it is a good primer for the industry. The department worked with the lodging industry for several months to put the matrix together. The bulletins and publications can be found at <http://revenue.state.wy.us>. Once on our home page click on the "Publications" tab in the red banner, scroll down the page to the heading "Sales and Use Tax Materials" then click on "Sales & Use Tax Bulletins" or Sales and Use Tax Publications for Specific Industries". Under each heading an expanded menu will appear with the various educational materials.

Is labor taxable in the State of Wyoming?

In Wyoming, the taxability of labor charges hinges on the type of property being affected. Generally labor associated with services to repair alter or improve tangible personal property is taxable. Tangible personal property is defined in statute in pertinent part as: anything that can be seen, weighed, measured, felt or touched, or that is in any other manner perceptible to the senses.... And W.S. 39-15-103(a)(i)(J) imposes sales tax on the sales price paid for services performed for the repair, alteration or improvement of tangible personal property. Some practical examples of when labor is taxable would be any of the following; oil changes in a vehicle, computer repair/upgrades, furniture repair, dry cleaning and laundry services. All of these services are taxable as they all repair, alter or improve tangible personal property. There are services where the labor would not be taxable. Labor performed on real property is not subject to sales tax unless it is performed on an oil or gas well site. Real property is also defined in

Wyoming Statutes and is a much more lengthy and in depth definition. If you find you have a question on the type of property your service affects, please contact the department for a determination.

Third party drop shipping:

Third party drop shipping is actually a series of transactions, where a supplier sells items to a vendor for subsequent resale but the supplier ships the items to the vendor's customer directly. The tax liability follows the product's transaction. These types of scenarios are best understood by viewing each transaction separately. The first transaction would be between the supplier and the vendor. In Wyoming, this purchase would be a purchase for resale and exempt from tax, as long as the Wyoming vendor issues a properly completed exemption certificate to the supplier. The second transaction is between the vendor and their Wyoming customer. This is the transaction that would bear the tax liability. The Wyoming vendor would charge their customer tax unless the Wyoming customer has a valid exemption they can claim. If the sale is made from a Wyoming vendor to a customer located outside of Wyoming, no Wyoming sales tax would be charged as this sale takes place outside of Wyoming's taxing jurisdictions.

Electronic filing of sales/use tax returns:

As a reminder the Department of Revenue does offer electronic filing for licensed vendors. This system is fully encrypted, allows vendors to complete returns and payment at any time, and provides e-mail reminders and confirmations, as well as a history of all transactions. A vendor may choose to file electronically and still send in a paper check for the payment. Or the vendor may choose to pay by e-check payment transfers, ACH credits or wire transfers. Further information is available on our website at <http://revenue.state.wy.us>. Once on our home page click on

"Forms" in the red banner, scroll to the bottom of the page to the heading "On-Line Services" then choose Sales & Use Tax. In the expanded menu that appears click on Wyoming Sales/Use Tax Internet Filing Service Electronic Agreement. You may complete the agreement and send it into the department. You will then be notified via e-mail of a password, login, and PIN number to allow you access to begin filing electronically.

Annual Interest Rate for Delinquent Taxes:

Per W.S.39-15-108(b)(i) The interest rate for delinquent taxes is adjusted annually, equal to the average prime interest rate for the preceding fiscal year plus four percent. Therefore the annual interest rate effective January 1, 2011 will be 7.25%. The equivalent daily interest rate for delinquent accounts, effective January 1, 2011 will be .0198%.

Educational seminar planning:

We will begin planning our educational seminar schedule for 2011 right after the first of the year. If you are interested in attending a seminar, please contact the department by e-mail at dor_taxability@wy.gov or by phone at (307)777-2459.

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
Jackson	734-9354
Torrington	532-5566