

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, 2012 there will be the following sales, use and lodging tax rate changes in Wyoming.

- Sweetwater County's sales/use tax rate will decrease to 5%.
- Effective January 1, 2012 the combined sales, use 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, 2012.

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, 2012 that the department has not been notified of to date. You can access our tax rate charts on line at <http://revenue.state.wy.us> 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.

Vendor Compensation Credit:

Effective with the January 2012 reporting period vendors and direct payers will be allowed to take a credit on their return to help offset the cost of reporting sales/use tax due to the state.

Eligibility Requirements:

Tax returns and payments must be postmarked by the 15th of the month the tax is due. Example: January 2012 return and payment must be postmarked by February 15th. For those vendors and direct payers filing electronically the return and payment must be filed by the 15th of February 2012.

The vendor compensation credit may not exceed \$500.00 in any month for a vendor. Vendor means the ownership not individual licenses. Example:

ABC Corporation owns 5 businesses, the vendor compensation credit allowed for the vendor is \$500.00 total, not \$500.00 per business.

The sales tax account must be in good standing, meaning all returns currently due must be filed and paid in full and the account may not have any outstanding balances.

If a vendor has entered into a payment arrangement for past due balances with the department, the payment plan must be current on all payments due and all returns not included in the payment plan must be filed and paid in full, to qualify for the vendor compensation credit.

If the vendor is currently under audit, the returns will still qualify for the vendor compensation credit as long as the audit balance is not delinquent. Example: The department will send audit assessments to vendors allowing the vendor a thirty day time period to pay the audit in full, enter into a payment arrangement, or appeal the decision. If none of the above actions are taken within that time period, any subsequent returns will not qualify for the vendor compensation credit, until the audit is paid in full.

Rejected returns: If the vendor files a return and the return is miscalculated, unsigned or otherwise unable to be processed, the department must reject the return. Provided the initial return was postmarked within the vendor compensation time period, i.e. by the 15th day of the month the tax is due, the vendor will receive vendor compensation, so long as the rejected return is corrected and filed by the new due date printed on the rejected return notice.

Amended Returns:

Scenario A

When a vendor is amending a return, and that return originally qualified for the vendor compensation credit, and the amendment results in additional tax due, and the amendment is filed before the 15th of the month the tax is due the vendor is entitled to the vendor compensation credit on the additional tax due amount.

Example: Original return filed on the 5th, amended return filed on the 14th. The vendor would receive vendor compensation for the total amount of tax due on the amended return. Original return qualified for \$50.00 of vendor compensation credit, amended return qualifies for \$75.00 in vendor compensation credit. Vendor receives \$75.00 in vendor compensation credit.

Amended Returns:

Scenario B

If the return is amended after the vendor compensation period the vendor is not entitled to any additional vendor compensation on the additional tax due.

Example: Original return filed on the 5th, amended return filed on the 30th, vendor will only receive vendor compensation for the amount reported on the original return.

Original return qualified for \$35.00 in vendor compensation credit. Vendor will receive only the \$35.00 vendor compensation credit as the amended return was filed after the vendor compensation time period for that reporting period.

Amended Returns:

Scenario C

When a vendor is amending a return and the original return qualified for the vendor compensation credit, and the amended return results in a reduction of tax due, vendor compensation will be recalculated based on the reduced amount of tax due, regardless of when the amendment is filed.

Vendor Compensation Credit

Calculation:

Vendors are allowed a credit of 1.95% of the tax due for the first \$6,250.00 due in tax and 1% of the amount of tax due for any amount exceeding \$6250.00.

Example:

Assuming total tax due of \$7,500.00 for the January 2012 filing period, (from line F of Part 1- Summary on Form 41 or line D Part I Summary of the Form 42)

$$1.95\% \times \$6,250.00 = \$121.88$$

$$1\% \times \$1,250.00 \text{ (amount exceeding } \$6250.00) = \$12.50$$

$$\$121.88 + \$12.50 = \$134.37$$

The total vendor compensation credit allowed for the January 2012 filing period is \$134.37. This amount should be placed on the vendor compensation line and will be subtracted from the total tax due for the filing period.

Vendors who report over \$44,062.00 in tax due in one filing period will receive only \$500.00 in vendor compensation credit as the credit cannot exceed \$500.00.

Changes to the Form 41 and Form 42:

The vendor compensation bill was written to allow vendors to calculate the credit and take the credit against the current return beginning January 2012. Therefore your reporting forms have changed.

Form 41:

Part I Summary, now has a new line G, Vendor Compensation Credit. This line is after the Total Tax Due line as the vendor compensation credit is calculated from the total tax due for the filing period. This figure includes, sales, use, lodging (if applicable), and excess tax due. Due to the fact that an additional line was added to the Summary portion of the return, we also have adjusted the number of spaces in Part II Jurisdictional Tax Information; previously you were give

room to report four different tax jurisdictions, there is now only room to report two different tax jurisdictions. Therefore if you need to report for more than two jurisdictions and didn't receive a form 41-2 Supplemental Form, please contact the department and we will print a bar coded Supplemental Form and mail or fax it to you.

Form 42:

Part I, Summary now has a new line E, Vendor Compensation Credit. Again, this line is after the Jurisdictional Tax Due, as the credit is to be calculated on the total tax due for the filing period.

Vendors filing electronically will see a similar change to the Summary portion of the electronic return. Line 7 will be the line for you to insert the vendor compensation credit amount. The system will not calculate the vendor compensation credit.

When the department receives a return in which the vendor qualifies for the vendor compensation credit but the vendor has not calculated the credit the department will calculate the credit. We will then notify the vendor of the credit amount via the monthly account statement.

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