

# **The Effects of the Sales and Use Tax Exemption For Coal Gasification and Liquefaction**

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**Sixth Edition**

**2006, W.S. 39-15-105(a)(viii)(R) and W.S. 39-16-105(a)(viii)(G)**

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Original House Bill No. 61 (Enrolled Act No. 5) was signed by Governor Freudenthal into law on March 9, 2006. This act relates to taxation and revenue and provides for a sales and use tax exemption for the sales/purchases of equipment used to construct a new coal gasification or coal liquefaction facility. The act provides for reporting requirements and an effective date. This law took effect on March 9, 2006.

The coal gasification and liquefaction exemption is located within the “economic incentive” group of sales and use tax exemptions in the Wyoming statutes. [W.S. 39-15-105(a)(viii) and W.S. 39-16-105(a)(viii)] As amended, 2006 Session Laws, Chapter 14 requires the Wyoming Business Council, Wyoming Department of Employment [Workforce Services] and the Department of Revenue to report on this exemption annually to the Joint Revenue Interim Committee. Specifically, by December 1 of each year the exemption is in effect these agencies are to report the exemptions effects on

- (i) employment in the coal gasification and coal liquefaction industry in terms of the numbers of employees, full-time and part time employees, and rate of turnover;
- (ii) wages and benefits disaggregated by gender for each job category; and
- (iii) taxes paid to the state of Wyoming by companies engaged in constructing a coal gasification and coal liquefaction facility.

This is the sixth written report in a series of annual reports on the effects of the sales and use tax exemption for companies in the coal gasification and coal liquefaction industry. The Department has been actively tracking all proposed projects. At this time the Department has identified only one company preliminarily engaged in building a coal liquefaction or coal gasification facility within the state of Wyoming. However due to financial and environmental concerns, active construction is not scheduled to begin until July 2014 and once construction begins the facility is still not expected to be in-service until 2018.

### **Employment Information**

Not applicable, as the department has not identified any businesses actively engaged in constructing a facility at this time.

### **Wage and Benefits Information**

Not applicable, as the department has not identified any businesses actively engaged in constructing a facility at this time.

### **Fiscal Information**

Not applicable, as the department has not identified any businesses actively engaged in constructing a facility at this time.