

The Effects of the Sales and Use Tax Exemption For Repairs to Railroad Rolling Stock

Compiled by
**the staff of the
Education and Taxability Section,
Wyoming Department of Revenue**

and edited by
Kim Lovett, Administrator

Eighth Edition

2005, W.S. 39-15-105(a)(viii)(Q) and W.S. 39-16-105(a)(viii)(F)

**Revenue, Department of
(011)**

<http://revenue.wyo.gov>

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Overview

Original House Bill No. 93 (Enrolled Act No. 116) was signed by Governor Freudenthal into law on March 3, 2005. This act relates to taxation and revenue and provides for a sales and use tax exemption for the sales/purchases of tangible personal property or services performed for the repair, assembly, alteration or improvement of railroad rolling stock. The act provides for a reporting requirement and an effective date of July 1, 2005. Originally the exemption provided a sunset date of July 1, 2015. During the 2015 Legislative Session the exemption was extended until July 1, 2021.

The railroad rolling stock 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)] This law exempts from Wyoming sales and use taxes, sales of tangible personal property or services performed for the repair, assembly, alteration or improvement of railroad rolling stock.

Specific Reporting Requirements by Statute

Wyo. Stat. Ann. § 39-15-105(b)

“The Wyoming business council, the department of workforce services and the department of revenue shall jointly report to the joint revenue interim committee on or before December 1 of each year that the exemption is in effect. If requested by the department of revenue, any person utilizing the exemption shall report to the department the amount of sales tax exempted, and the number of jobs created or impacted by the utilization of the exemption.”

This report is to evaluate the cumulative effects of the exemption from initiation of the exemption and shall include:

- (i) A history of employment in terms of the numbers of employees, full-time and part time employees, and rate of turnover classified by the 2007 edition, as amended, of the North American Industry Classification System (NAICS) code manufacturing section 31 – 33 from information collected by the Department of Employment;
- (ii) A history of wages and benefits disaggregated by gender for each job category; and
- (iii) A comprehensive history of taxes paid to the state of Wyoming.

Findings

This year represents the eighth year the Department of Revenue has requested information from companies potentially utilizing the exemption. The Department did not survey companies in 2013 or 2014 as the legislature only required reporting until 2012

and did not renew the requirement until 2015. Therefore the graphs and tables included in this report will omit these periods.

With regard to wage reporting the Department of Revenue’s wage data is for the period of the survey. However, the comparison information is based on survey information received by the Wyoming Department of Workforce Services and is based on data they received from unrelated companies surveyed through May 2015. This is the most current wage information published by their office. As a result, consistent with the Department’s reporting of previous years, it is possible that the comparison may not be reliable. The turnover information is annualized based on information published by the Department of Workforce Services, Labor Market Information section on a quarterly basis. Again this is based on data reported by various companies which may or may not be representative of this industry.

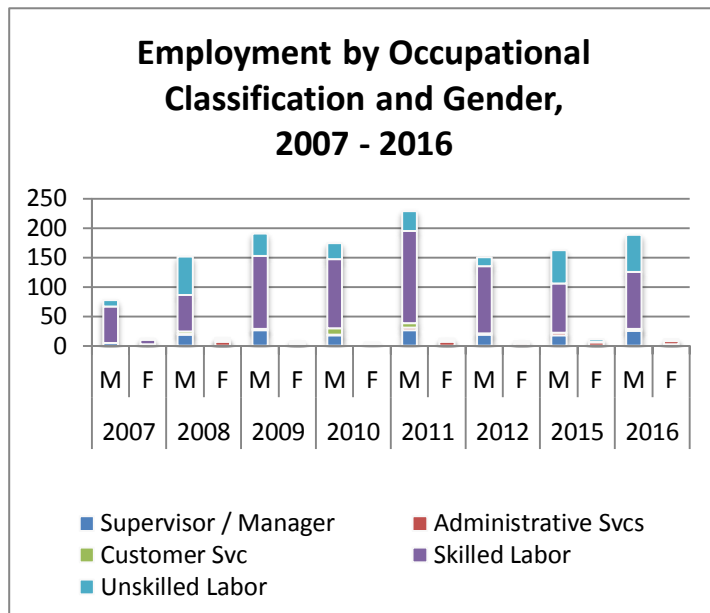
Also new for this year, the Department of Revenue’s report will be supplemented by information from the Wyoming Business Council and Department of Administration and Information’s Economic Analysis Division.

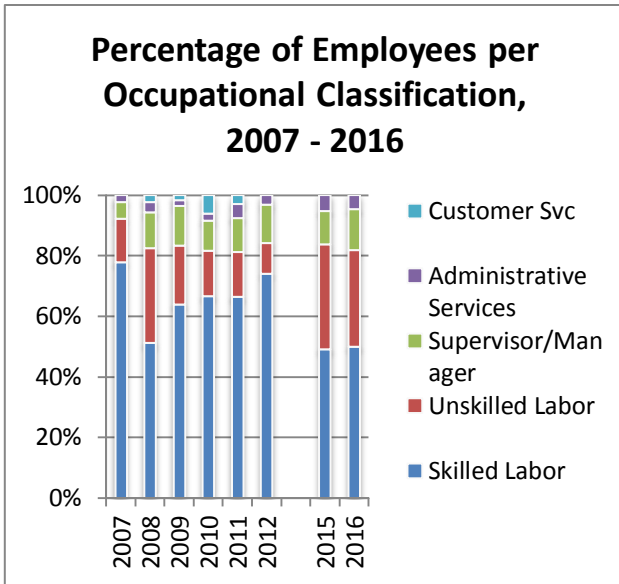
For FY16 the Department of Revenue surveyed seven businesses which are or have been engaged in activities involving the repair of railroad rolling stock. Of the six that responded, one does not employ any personnel to repair railroad rolling stock in the State of Wyoming. This company purchases repair materials and services from another entity in Wyoming. In addition, one of the respondents was only able to provide employment data nationwide and not specific to our state. As a result we will include their utilization of the exemption but we are forced to disregard their employment data as it does not accurately reflect this industry in Wyoming.

Employment

The five subject companies reporting employees in our State provided 202 full-time and no part-time jobs. While it is only 82% of the peak employment we saw in this area in 2011, it is up about 10% from last year and closely resembles employment numbers from 2009.

By occupational classification, nearly half of the current workforce, 50%, is skilled and another 32% is unskilled. The remaining 19% are managerial, administrative, or





act in an official capacity. This is consistent with the 2015 classification occupation reporting and represents a significant shift from 2012 and years earlier, when 64% - 76% of the workforce was skilled laborers¹ and only 10% - 20% was unskilled.² Since 2011, none of the responding companies have had positions in customer service.

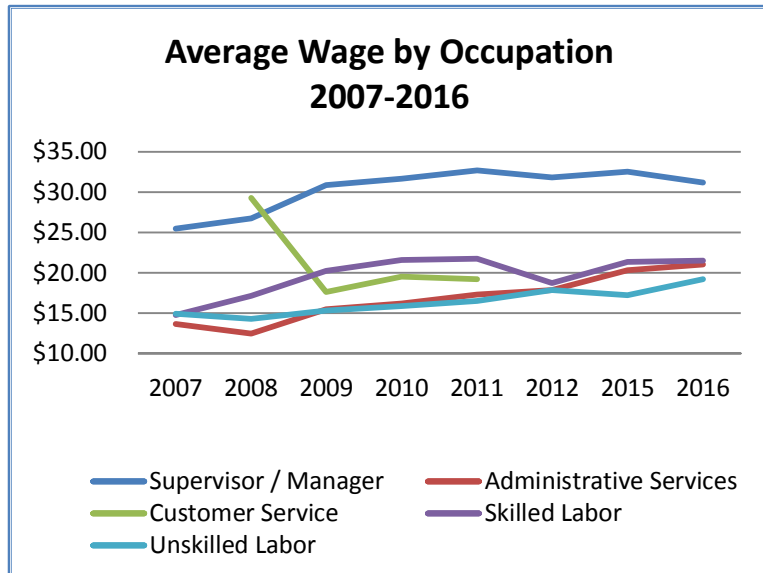
As in years past, men continue to out employ women in this sector. In FY16 women filled 6 of the 9 administrative staff positions, but only comprised 3% of the skilled labor force. Since 2009 women have

consistently made up less than 6.4% of the sector's workforce.

Wages

Wage increases varied over the survey period, with wages generally increasing every year.

Excepting Sales and Customer Service positions, since none of the companies surveyed have reported employees in this classification since 2011, there have been little observances of negative wage growth.



Managerial and skilled labor positions experienced a 3% and 14% wage loss respectively in 2012. In 2015, unskilled labor lost 4% and in 2016, managerial wages lost another 4%.

¹ Skilled labor accounted for 76% of the available positions in 2007, 64% in 2009, 67% in 2010, 66% in 2011, and 74% in 2012

² Unskilled labor accounted for 14% of the available positions in 2007, 20% in 2009, 15.7% in 2010, 15% in 2011, and 10% in 2012

In addition, as noted previously, none of the companies surveyed have reported employees in Sales and Customer Service occupations since 2011.

Total payroll expenditures by these businesses is less now than in the early years of the exemption. In 2009, total wages were calculated as \$8,487,897 and in 2010 were \$8,048,539. But in 2016, total wages were only \$5,394,816. This is largely due to the shift from a skilled to an unskilled workforce.

Table I: Wages by Occupation and Year, 2007 - 2016

		2007 ††	2008	2009	2010	2011	2012	2013 †	2014 †	2015	2016 ††
Managerial	Response	\$ 25.47	\$ 26.77	\$ 30.82	\$ 31.65	\$ 32.70	\$ 31.81			\$ 32.48	\$ 31.18
	WY Average ³		\$ 31.40	\$ 32.80	\$ 34.56	\$ 36.04	\$ 36.75	\$ 38.16	\$ 39.42	\$ 40.85	
Administrative	Response	\$ 13.65	\$ 12.43	\$ 15.52	\$ 16.20	\$ 17.28	\$ 17.82			\$ 20.28	\$ 21.03
	WY Average ¹		\$ 12.71	\$ 13.33	\$ 13.92	\$ 14.35	\$ 14.61	\$ 15.11	\$ 15.15	\$ 15.63	
Customer Service	Response	—	\$ 29.28	\$ 17.59	\$ 19.53	\$ 19.24	—			—	—
	WY Average ¹		\$ 10.17	\$ 10.43	\$ 11.13	\$ 11.49	\$ 11.86	\$ 12.06	\$ 12.41	\$ 12.79	
Skilled Labor	Response	\$ 14.77	\$ 17.11	\$ 20.21	\$ 21.60	\$ 21.73	\$ 18.73			\$ 21.36	\$ 21.53
	WY Average ¹		\$ 18.16	\$ 17.34	\$ 20.43	\$ 20.52	\$ 19.12	\$ 19.88	\$ 21.88	\$ 23.58	
Unskilled Labor	Response	\$ 14.89	\$ 14.33	\$ 15.30	\$ 15.86	\$ 16.51	\$ 17.89			\$ 17.24	\$ 19.19
	WY Average ¹		\$ 13.56	\$ 14.54	\$ 14.94	\$ 14.83	\$ 14.67	\$ 14.56	\$ 15.33	\$ 15.68	

— No Employees or wages reported for this Occupational Classification

† 2013 & 2014 Employment data not surveyed by Department of Revenue

†† 2007 & 2016 Employment data not available from Wyoming Department of Workforce Services

³ Data obtained from Wyoming Occupational Employment and Wages reports for 2008 through 2015, specifically the median wage for all Managerial Occupations (Occupational code 11-0000), Office and Administrative Support Occupations (Occupational Code 43-0000), Sales and Related Occupations (Occupational code 41-0000), Railcar Repairers (Occupational code 49-3043), and Laborers (Occupational code 47-2061)

Benefits

With regards to the benefits offered to employees, until FY16 this has remained relatively constant with all respondents offering benefits that included medical insurance, dental insurance, prescription benefits, vision and retirement (either in the form of a 401(k) or railroad pension program). In 2011, one company dropped its retirement program but it picked back up the following year.

But in 2016, it was observed that one employer reported that it does not provide any insurance or benefit package to its employees and another dropped its prescription drug coverage.

Turnover

Prior to 2008 survey respondents reported a total turnover rate at 10%. This dipped dramatically between 2008 and 2011, averaging less than 2% per year. In 2012, the turnover rate began to climb and in FY16 respondents indicated the turnover rate had nearly returned to the pre-2009 levels. As compared to all industries in Wyoming, the turnover rate in the Railroad Rolling Stock Repair sector has a significantly lower turnover rate.⁴

Table 2: Turnover Rate Comparison by Year, 2007 - 2016										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Response	10.0%	3.8%	0.6%	0.5%	0.8%	4.8%			4.8%	9.4%
WY Average	35.3%	33.9%	28.6%	28.7%	29.6%	29.7%	29.6%	30.7%	30.3%	

By occupational classification within the sector, turnover rates vary. Very little, if any, turnover occurred in the years the respondents reported employees in Sales and Related Occupations (Customer Service). Low turnover rates are also reported in Managerial positions as well as within the Skilled Labor force positions. Turnover rates for Administrative positions, previously reported at 0%, have been increasing since 2011, and reached 15% in FY16. The highest change to turnover rates occurred between 2015 and 2016 where Unskilled Labor more than doubled.

⁴ Data obtained from Wyoming Quarterly Turnover Statistics by Industry, 1992Q1 to 2015Q4 for “All Industries”

Table 3: Turnover Rate by Occupational Classification, by Year 2007 - 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Managerial	0.0%	2.3%	0.2%	0.1%	0.0%	2.6%			1.4%	4.4%
Administrative	0.0%	0.0%	0.0%	0.0%	0.9%	8.3%			11.5%	15.0%
Customer Srv	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
Skilled Labor	7.8%	0.7%	2.8%	2.3%	0.7%	4.8%			0.5%	3.6%
Unskilled Labor	32.0%	15.9%	0.0%	0.0%	0.0%	8.4%			5.6%	14.5%

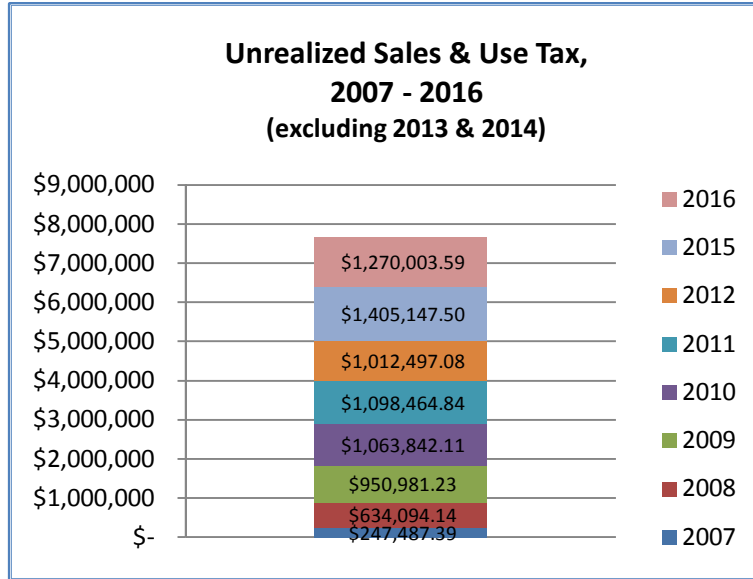
Facility Size

New for this year’s survey were two questions. First was the respondent’s facility size and second their total acreage. For facility size the Department of Revenue asked for the total of all office space, repair areas and storage facilities. For the five businesses reporting Wyoming operations, of the 315.2 acres owned or leased by the businesses, the facilities occupied a total of 5.1 acres, or just over 1%. The median facility size is 0.7 acre.

Exemption Cost

Based on survey responses for FY16, to include the company that reported utilization of the exemption but without any Wyoming employees, there was \$23,518,585.07 in exempt railroad rolling stock repair purchases by the six companies surveyed. Applying the statewide sales and use tax rate average of 5.4%, this amounted to \$1,270,003.59 in unrealized sales and use tax revenue by the State of Wyoming for FY16 as a result of this exemption and at least \$7.67 Million since the exemption’s inception. Given that the respondents have indicated over \$1M in usage for the 2 years both preceding and succeeding 2013 and 2014, it is likely that similar utilization occurred in those years. Considering this, the Department projects the actual total utilization is closer to \$10 Million.

In FY16, the single user with the highest dollar reported indicated \$11.2 million in exempt purchases, or 47% of the total exemption utilization.



Economic Modeling

Wyoming Economic Analysis Division

REMI Analyses: Economic Impacts

The analyses of the economic impacts of the sales and use tax exemptions for the sales/purchases of tangible personal property or services performed for the repair, assemble, alteration, or improvement of railroad rolling stock was prepared using the Regional Economic Models, Inc. (REMI) PI+ model. REMI PI+ is the next generation Policy Insight model built exclusively for Wyoming. It is an integrated model that combines the best features of the input-output, general equilibrium, econometric, and economic geography methodologies. PI+ is also a dynamic rather than a static model allowing for year-by-year analysis of the total regional effects of any specific policy initiative.

The economic impact of the removal of the sales tax exemption for the sales/purchases of tangible personal property or services performed for the repair, assemble, alteration, or improvement of railroad rolling stock was modeled in REMI as an increase in the production costs for this repair and maintenance industry of \$2.0 million per year beginning in 2015 (see Attachment A, Table 1). This exemption removal would result in an average annual loss of 25 jobs and a decrease in GDP of \$2.1 million per year over the period of 2015 to 2030 when compared to the baseline scenario.

Other services (defined as NAICS 8113; commercial and industrial machinery and equipment repair and maintenance), construction, and retail trade sectors will sustain most of the job losses. Direct job losses will be found in the other services and construction sectors while retail trade, being a consumption-driven industry, will see a decline in employment as personal income and salaries are reduced.

The economic impact of the adding of the sales tax exemption for the sales/purchases of tangible personal property or services performed for the repair, assemble, alteration, or improvement of railroad rolling stock was modeled in REMI as a decrease in the production costs for this repair and maintenance industry of \$2.0 million per year beginning in 2015 (see Attachment A, Table 2). This exemption addition would result in an average annual gain of 25 jobs and an increase in GDP of \$2.1 million per year over the period of 2015 to 2030 when compared to the baseline scenario.

Other services (defined as NAICS 8113; commercial and industrial machinery and equipment repair and maintenance), construction, and retail trade sectors will realize most of the job gains. Direct job gains will be found in the other services and construction sectors while retail trade, being a consumption-driven industry, will see an increase in employment as personal income and salaries improve.

Attachment A shows the REMI table of analyses, definitions of terminology used and more detailed information regarding the REMI model.

Wyoming Business Council

RPAS Analyses: Economic Impacts

The RPAS model has been developed for Wyoming by Applied Economics, LLC of Phoenix, Arizona, www.aeconomics.com. The model identifies measurable effects associated with either a specific activity in a specific location or the value of economic and revenue impacts of existing businesses. The model has multipliers for 66 NAICS-based industry types based on Minnesota IMPLAN group data. It provides the value of additional output for job creation in addition to the direct jobs created and measures direct and indirect property and sales tax benefits to local and state revenues.

Refer to **Attachment B** for the detailed information regarding the RPAS model.

Survey Process and Costs

On June 30, 2016, the Department mailed surveys to 7 companies identified as engaged in these activities. A cover letter attached to the survey instructed the respondents that once completed, the report could be mailed, faxed or emailed back to the Department of Revenue's Excise Tax Division. The cost of survey mailing was negligible. The primary expense associated with this report is not quantifiable, and is the result of time spent reviewing and analyzing data received from the respondents.

Attachment A

Table 1: Economic Impact of Sales & Use Tax Exemption for the Repair of Railroad Rolling Stock

Category <i>(Change from Baseline)</i>	Years						Average
	2015	2016	2017	2018	2019	2020	2015-2030
Total Employment - Jobs	-7	-13	-18	-22	-24	-26	-25
Other Services	-4	-8	-10	-12	-13	-14	-14
Construction	-1	-1	-2	-2	-3	-3	-2
Retail Trade	-1	-1	-1	-2	-2	-2	-2
All Other	-2	-3	-5	-6	-6	-7	-7
Population - Individuals	-3	-7	-12	-17	-23	-28	-35
Wages and Salaries	-\$0.2	-\$0.4	-\$0.6	-\$0.7	-\$0.8	-\$0.8	-\$0.8
Personal Income	-\$0.4	-\$0.9	-\$1.2	-\$1.5	-\$1.8	-\$2.0	-\$2.1
Disposable Personal Income	-\$0.4	-\$0.7	-\$1.0	-\$1.3	-\$1.5	-\$1.7	-\$1.8
Gross Domestic Product	-\$0.6	-\$1.0	-\$1.4	-\$1.7	-\$2.0	-\$2.1	-\$2.1
Output	-\$0.8	-\$1.4	-\$1.9	-\$2.3	-\$2.6	-\$2.8	-\$2.6
<i>Note: All dollar amounts are expressed as millions of fixed (2015) dollars.</i>							

Table 2: Economic Impact of Sales & Use Tax Exemption for the Repair of Railroad Rolling Stock

Category <i>(Change from Baseline)</i>	Years						Average
	2015	2016	2017	2018	2019	2020	2015-2030
Total Employment - Jobs	7	13	18	22	25	27	25
Other Services	4	8	10	12	14	15	14
Construction	1	1	2	2	3	3	2
Retail Trade	1	1	1	2	2	2	2
All Other	2	3	5	6	6	7	7
Population - Individuals	3	7	12	17	23	28	35
Wages and Salaries	\$0.2	\$0.4	\$0.6	\$0.7	\$0.8	\$0.9	\$0.8
Personal Income	\$0.4	\$0.9	\$1.2	\$1.6	\$1.8	\$2.0	\$2.1
Disposable Personal Income	\$0.4	\$0.7	\$1.0	\$1.3	\$1.5	\$1.7	\$1.8
Gross Domestic Product	\$0.6	\$1.0	\$1.4	\$1.8	\$2.0	\$2.2	\$2.1
Output	\$0.8	\$1.4	\$1.9	\$2.3	\$2.6	\$2.8	\$2.6
<i>Note: All dollar amounts are expressed as millions of fixed (2015) dollars.</i>							

Total Employment comprises estimates of the number of non-farm jobs, full-time plus part-time, by place of work. Full-time and part-time jobs are counted at equal weight. Includes direct, indirect, and induced jobs.

Population reflects mid-year estimates of people, including survivors from the previous year, births, special populations, and three types of migrants (economic, international, and retired).

Wages and Salaries are the monetary remuneration of employees, including the compensation of corporate officers; commissions, tips, and bonuses; voluntary employee contributions to certain deferred compensation plans, such as 401(k) plans; and receipts in kind that represent income. Wages and salaries disbursements are affected by changes in Wage Rate and Employment.

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

Disposable Personal Income equals personal income minus personal taxes.

Gross Domestic Product or **GDP** is the market value of goods and services produced by labor and property. It is often referred to as "value added" and is equal to its gross output (sales or receipts and other operating income, plus inventory change) minus its intermediate inputs (consumption of goods and services purchased from other industries or imported).

Output is the amount of production, including all intermediate goods purchased as well as value-added (compensation and profit). Output can also be thought of as sales or supply or simply price multiplied by quantity ($P \times Q$).

About the REMI PI+ Model

The REMI PI+ model incorporates aspects of four major modeling approaches: **Input-Output**, **General Equilibrium**, **Econometric**, and **Economic Geography**. Each of these methodologies has distinct advantages as well as limitations when used alone. The REMI integrated modeling approach builds on the strengths of each of these approaches.

The REMI model at its core has the inter-industry relationships found in **Input-Output models**. As a result, the industry structure of a particular region is captured within the model, as well as transactions between industries. Changes that affect industry sectors that are highly interconnected to the rest of the economy will often have a greater economic impact than those for industries that are not closely linked to the regional economy.

General Equilibrium is reached when supply and demand are balanced. This tends to occur in the long run, as prices, production, consumption, imports, exports, and other changes occur to stabilize the economic system. For example, if real wages in a region rise relative to the U.S., this will tend to attract economic migrants to the region until relative real wage rates equalize. The general equilibrium properties are necessary to evaluate changes such as tax policies that may have an effect on regional prices and competitiveness.

REMI is sometimes called an “**Econometric model**,” as the underlying equations and responses are estimated using advanced statistical techniques. The estimates are used to quantify the structural relationships in the model. The speed of economic responses is also estimated, since different adjustment periods will result in different policy recommendations and even different economic outcomes.

The **New Economic Geography** features represent the spatial dimension of the economy. Transportation costs and accessibility are important economic determinants of interregional trade and the productivity benefits that occur due to industry clustering and labor market access. Firms benefit having access to a large, specialized labor pool and from having access to specialized intermediate inputs from supplying firms. The productivity and competitiveness benefits of labor and industry concentrations are called agglomeration economies, and are modeled in the economic geography equations.

The primary national, state, and county data source for REMI PI+ is the Bureau of Economic Analysis (BEA) State Personal Income (SPI) and Local Area Personal Income (LAPI) series (which also include employment and total population at both the state and county level). REMI also relies on numerous other data sources including the Bureau of Labor Statistics, Energy Information Administration, Center for Disease Control and Prevention, National Center for Health Statistics, and the Department of Defense.
Source: remi.com.



Attachment B

Wyoming Business Council Regional Project Assessment System (RPAS)

Railroad rolling stock tax incentive economic analysis

The RPAS model has been developed for Wyoming by Applied Economics, LLC of Phoenix, Arizona, www.aeconomics.com. The model identifies measurable effects associated with either a specific activity in a specific location or the value of economic and revenue impacts of existing businesses. The model has multipliers for 66 NAICS-based industry types based on Minnesota IMPLAN group data. It provides the value of additional output for job creation in addition to the direct jobs created and measures direct and indirect property and sales tax benefits to local and state revenues.

- **Jobs, wages and output:**

Year	Workforce	Average Wage	Total Direct Wages	Output from Employment Income
2009	180	\$ 46,727.00	\$ 8,410,860.00	\$ 47,146,255.00
2010	244	\$ 46,727.00	\$ 11,401,388.00	\$ 63,909,368.00
2011	155	\$ 46,727.00	\$ 7,242,685.00	\$ 40,598,164.00
2012	188	\$ 46,727.00	\$ 8,784,676.00	\$ 49,241,644.00
2013	188	\$ 46,727.00	\$ 8,784,676.00	\$ 49,241,644.00
2014	175	\$ 46,727.00	\$ 8,177,225.00	\$ 45,836,637.00
2015	167	\$ 46,727.00	\$ 7,747,665.00	\$ 43,428,780.00
Total				\$ 339,402,492.00

* The year and workforce numbers are from Department of Revenue annual reports, except 2012 & 2013 when there were no reports. WBC has averaged 2009, 2010, 2011 and 2015 for the estimated workforce in 2012 and 2013.

* Wage data is taken from the 2016 surveys returned by companies to the Department of Revenue. The surveys provided data on number of jobs and hourly wages for supervisors, skilled labor, sales/ customer service, admin and unskilled labor. The WBC compiled the numbers and created an average. This average is used for all prior years.

* Output represents the total economic activity generated. It is derived from employment income and calculated by the WBC economic impact model. The inputs are direct employment numbers and average wages. The model then calculates additional multipliers of the wages rolling over in the community.

- **Real estate market valuation for tax assessment purposes**

	2016	2015	2014	2013	2012	2011	2010
Union Tank Car	\$ 277,287.00	\$ 281,289.00	\$ 284,772.00	\$ 292,819.00	\$ 299,678.00	\$ 297,053.00	\$ 277,287.00
Big Horn Divide - Shoshoni	\$ 669,800.00	\$ 701,100.00	\$ 358,400.00	\$ 366,700.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00
Progress Rail - Rock Springs	\$ 263,214.00	\$ 242,507.00	\$ 194,814.00	\$ 194,814.00	\$ 195,171.00	\$ 195,171.00	\$ 194,900.00
Progress Rail - Bill	\$ 583,050.00	\$ 584,100.00	\$ 527,200.00	\$ 529,900.00	\$ 495,400.00	\$ 495,400.00	\$ 503,700.00
Total	\$ 1,793,351.00	\$ 1,808,996.00	\$ 1,365,186.00	\$ 1,384,233.00	\$ 1,340,249.00	\$ 1,337,624.00	\$ 1,325,887.00

Rolling Stock Impact Summary

Year	Local real property taxes	Local personal property taxes	Local sales taxes	Total local taxes	State sales tax	Total state and local taxes	Unrealized revenue from sales taxes	Net return to state and local governments
2009	\$339,665	\$32,574	\$404,232	\$776,472	\$298,303	\$1,074,775	\$ 1,076,023.00	\$ (1,248.00)
2010	\$467,833	\$59,579	\$468,265	\$995,677	\$345,556	\$1,341,233	\$ 1,098,465.00	\$ 242,768.00
2011	\$314,592	\$79,339	\$363,203	\$757,134	\$268,025	\$1,025,159	\$ 1,012,497.00	\$ 12,662.00
2012	\$385,313	\$99,688	\$392,131	\$877,132	\$289,373	\$1,166,505	\$ 1,145,416.00	\$ 21,089.00
2013	\$395,866	\$117,304	\$388,480	\$901,650	\$286,679	\$1,188,329	\$ 1,145,416.00	\$ 42,913.00
2014	\$385,832	\$132,498	\$371,667	\$889,997	\$274,272	\$1,164,269	\$ 1,394,681.00	\$ (230,412.00)
2015	\$384,135	\$145,017	\$358,957	\$888,109	\$264,892	\$1,153,001	\$ 1,270,004.00	\$ (117,003.00)
Total:	\$2,673,237	\$665,998	\$2,746,936	\$6,086,171	\$2,027,100	\$8,113,271	\$ 8,142,502.00	\$ (29,231.00)

*** Approximately half of property tax revenue supports local school mill levies**

* Direct and indirect property and sales tax is calculated by the WBC economic impact model. The inputs are assessed property valuation and equipment capital expenditures. Value of equipment was reported by one company. Others did not thus the model understates property tax on equipment. The model then calculates the direct property and sales tax paid to local and state. It also creates and calculates multipliers for direct employees and indirect employment increase in property and sales tax spendi



MATTHEW H. MEAD, Governor
DANIEL W. NOBLE, Director

State of Wyoming
DEPARTMENT OF REVENUE

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June 30, 2016

Dear Vendor:

Effective July 1, 2005, the Wyoming Legislature passed a sales/use tax exemption designed to benefit those companies in the railroad rolling stock industry. This exemption applies to tangible personal property used in the repair, assembly, alteration or improvement of railroad rolling stock.

As part of this exemption, the Wyoming Department of Revenue is required to supply to the legislature a report to evaluate the cumulative effects of the exemption. Enclosed is the Sales/Use Tax Return for Railroad Rolling Stock. Please note, new for this year is **Section VI. Size of Facility**. The completed form must be returned to the Wyoming Department of Revenue no later than July 31, 2016. Please report all purchases and rentals that qualify for this exemption.

Please contact the department with any questions you may have at (307) 777-2459. You may return your completed form by mail or you may also return by fax to (307) 777-3632 or electronically to DOR_Taxability@wyo.gov.

Thank you for your time and attention to this matter.

Sincerely,

Terri Lucero

Terri Lucero, Manager
Education and Taxability Section
Excise Tax Division



Wyoming Department of Revenue
Excise Tax Division
 Herschler Bldg 2nd Floor West
 122 West 25th Street
 Cheyenne, WY 82002-0110

SALES/USE TAX RETURN
FOR RAILROAD ROLLING STOCK
 Per Wyoming Statutes Title 39-15-105 and Title 39-16-105

THIS FORM MUST BE COMPLETED AND FILED BY JULY 31, 2016

I. Company Information

Company Name		
Address		
City	State	Zip
Reporting Period:	From July 1, 2015	To June 30, 2016

II. Exempt Sales

Tangible personal property purchased and used to repair, alter, assemble or improve railroad rolling stock are exempt from state sales/use tax as outlined in W.S. 39-15-105 and W.S. 39-16-105.

Amount of Exempt purchases for the period of July 1, 2015 through June 30, 2016 If zero, please enter \$0.00	\$.
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II. Economic Impact Information

Note: Wyoming Statutes Annotated 39-15-105 and 39-16-105 require reporting of **Section III. Economic Impact Information** to evaluate the economic impact of this exemption. Contact (307) 777-5200 if you have any questions.

Category Name ¹ (such as supervisor, laborer, etc.)	Full Time or Part Time?	Number of Workers		Average Wage (per hour)		Average Rate of Turnover
		Male	Female	Male	Female	

- 1. Categories:**
- Owner/officer** – Owners, Officers, Sole Proprietors, Corporate Officers, Self Employed, etc.
 - Supervisor/Manager** – Upper/Middle/Lower Managers, Foremen, Supervisors, etc.
 - Administrative Staff** – Clerical, Office, Accounting, Bookkeeping, Purchasing, Shipping & Receiving, etc.
 - Customer-Support Services** – Customer service, Sales, Delivery, etc.
 - Skilled Laborers** – Professionals, Engineers, Tradesmen, machinists, R&D, Design, Quality Control, etc.
 - Unskilled Laborers** – Technicians, Operatives, Maintenance, Production, Laborers, etc.

IV. Benefits Impact Information

Which, if any, of the following benefits do you offer to your employees? Check each applicable box

Employee Type	None	Health	Dental	Vision	Prescription	401(k)
Full-time Employees						
Part-time Employees						

V. Size of Facility

Please provide the square footage of your facility, to include office space, repair area and any storage facilities. _____

Please provide the size of your lot or acreage. _____

Agent Affidavit:

I _____, (authorized agent for company) hereby certify under penalty of perjury that the company named on this form is entitled to the sales and use tax exemption on purchases of tangible personal property used in the repair, alteration, or improvement of railroad rolling stock, as per W.S. Title 39-15-105 and Title 39-16-105. I further certify that the Company Information and Economic Impact Information provided above is true and accurate to the best of my knowledge.

Signature _____ Title _____ Date _____