



Professional Services

Originally issued December 5, 2012/Revised August 1, 2014
Wyoming Department of Revenue

In general, Wyoming currently has no statutory provisions to impose sales or use taxes on professional services provided that they do not include any sales of or repairs, alterations or improvements to tangible personal property in the scope of those services and/or certain oil and gas services. [W.S. 39-15-101(a)(ix),(xviii), W.S. 39-15-103(a)(i)(J),(K)] Professional services are non-enumerated in our statutes, meaning we do not have an imposition statute which imposes sales tax. In addition, as the services are not taxable, we do typically do not require professional persons to license for sales/use tax purposes.

Types of professional services

Types of professional services performed include but are not limited to:

- Accountants
- Engineers
- Doctors
- Technical Writers
- Attorneys
- Tax Preparers
- Lawyers
- Consultants*
- Teachers/Trainers/Instructors*
- Inspectors*

In addition, professional services that involve the creation of concepts are non-taxable. This includes the production of tangible personal property, i.e., blue prints, specifications, diagrams, designs, schematics, data sheets, etc. Such items are a byproduct of the creative process and are not

taxable. However, if the sales of such items occur beyond the professional/customer relationship then a retail sale occurs and is subject to Wyoming sales tax. Although professional services are not subject to sales tax, purchases of equipment, tools, and supplies purchased by the business in order to run the business are subject to sales/use tax.

Consultants & Inspection Services

If providing consultant and/or inspection services, we strongly advise a department review to the specifics of the services performed.

While many consultant/inspection services are viewed as non-taxable professional services; others do have taxable elements within the service.

Teachers/Trainers/Instructors

The professional services provided by a teacher, trainer and/or instructor are not subject to sales tax. In regards to training materials, if the cost of the training involves course materials, e.g., downloaded materials, manuals, etc. then no sales tax is due on the training package. If, however, the course materials are separate from any training activities, they are subject to sales tax per W.S. 39-15-103(a)(i)(A) which imposes sales tax on: "The sales price of every retail sale of tangible personal property within the state;" Furthermore, if the course materials are included in a single

package price for a training program then the materials are subject to sales/use tax when the trainer/teacher purchases them, e.g., downloaded material, CD version, and/or books. In this situation, the trainer/instructor is the end consumer/user of the materials in rendering his/her training program [WY Dept. of rev. Rules, Chap 2 Sec. 13(bb)]. As such, the trainer/instructor incurs the sales/use tax liability and then subsequently passes through the costs, including tax, as part of a training package to his/her clients.

Furthermore, if in the event professional services are provided within an oil/gas well site, we suggest you review our "Oil, Conventional Natural Gas and Coal Bed Methane Tax Publication #5" and/or contact our department for a determination. [W.S. 39-15-101(a)(xviii)] This publication can be reviewed from our website: <http://revenue.wyo.gov/>.

Please be advised that this bulletin addresses issues in general terms and cannot be appropriate or applicable in all situations. If your situation is markedly different or you have concerns about this issue, please do not hesitate to contact this department. You can do so by e-mail directed to:
DOR_taxability@wyo.gov

Supporting Authority -

W.S. 39-15-101(a)(ix)

"Tangible personal property" means all personal property that can be seen, weighed, measured, felt or touched, or that is in any other manner perceptible to the senses. "Tangible personal property" includes electricity, water, gas, steam and prewritten computer software; and includes any controlled substances as defined by W.S. 35-

7-1002(a)(iv) which are not sold pursuant to a written prescription of or through a licensed practitioner as defined by W.S. 35-7-1002(a)(xx);

W.S. 39-15-101(a)(xviii)

"Well site" means an area where production equipment is installed to store or prepare oil or gas for transportation off the well site. Production equipment includes, but is not limited to, wellheads, valves, tanks, dehydrators, heater-treaters, separators, flow lines, meters, flares, vapor recovery units and emission equipment. Except as provided in this paragraph, production equipment for purposes of defining a well site shall not include compressors, off well site gathering lines and processing facilities.

W.S. 39-15-103(a)(i)(A)

Except as provided by W.S. 39-15-105, there is levied an excise tax upon:

The sales price of every retail sale of tangible personal property within the state;

W.S. 39-15-103(a)(i)(J)

Except as provided by W.S. 39-15-105, there is levied an excise tax upon:

The sales price paid for services performed for the repair, alteration or improvement of tangible personal property;

W.S. 39-15-103(a)(i)(K)

there is levied an excise tax upon:

The sales price paid for all services and tangible personal property used in rendering services to real or tangible personal property within an oil or gas well site beginning with and including the setting and cementing of production casing, or if production casing is not set as in the case of an open hole completion, after the completion of the underreaming or the attainment of total depth of the oil or gas well and

continuing with all activities sequentially required for the production of any oil or gas well regardless of the chronological occurrence of the activity. All services required during the entire productive life of the well, including recompletion, all the way through abandonment shall be subject to this subparagraph. The provisions of W.S. 39-15-301 through 39-15-311 and W.S. 39-16-304 through 39-16-311 shall not apply to this subparagraph;

WY Dept of Rev Rules, Chap 2, Sec 13(bb)
Purchases by Businesses. Purchases by businesses and professional persons of equipment, tools and supplies for use in conducting their businesses or professions shall be subject to the sales or use tax.