



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 July 1, 2012 there will be no sales, use or lodging tax rate changes in Wyoming.

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 October 1, 2012 there will be the following sales, use and lodging tax rate changes in Wyoming.

- Platte County's sales/use tax rate will decrease to 5%.
- Effective October 1, 2012 the combined sales/use and lodging tax rate for the City of Guernsey will be 7%.

It is prudent to periodically check our website for notices of tax rate changes. It is possible that there will be rate changes effective October 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 Due Date Reminder:

Remember that in order to be eligible to claim the vendor compensation credit on your sales/use tax return, the return and payment must be postmarked by the 15th of the month the taxes are due. For example, the June 2012 return and payment must be postmarked by July 15th in order to qualify for the credit. The department will deny any vendor compensation credit requested if the return and payment is not postmarked by the 15th of the month the taxes are due. When vendor compensation is denied the tax is underpaid resulting in a balance due on the vendors' account.

Notification of Credits on Sales Tax Accounts:

Beginning with the June 2012 returns if a vendor has a credit on their sales tax account the credit amount will be pre-populated on the credit line of the return. Available credits will be pre-populated on vendors' returns on a quarterly basis. **Example:** Credits will appear on March, June, September and December returns.

Vendors utilizing our electronic filing system (WYIFS) will also have available credits pre-populated in the summary portion of the electronic return on a quarterly basis.

Torrington Field Office:

As reported in our last issue of this newsletter our Torrington Field Office is closed until further notice. In order to ensure service to the taxpayers of the counties that were serviced by the Torrington Office we have reassigned those counties as follows; Goshen and Platte Counties are now serviced by the Laramie County Field Representative and Vendor Operations Region 1. Converse and Niobrara Counties are now being serviced by the Natrona County Field Representative and Vendor Operations Region 3.

Determining the Proper Tax Rate to Charge (Sourcing):

When a vendor makes a taxable sale the vendor must determine the proper rate of tax to charge. Our sourcing rules are based on the definition of receive and receipt. W.S.39-15-104(f)(i)(F) define the terms "receive" and "receipt" to mean taking possession of tangible personal property, making first use of services or taking possession or making first use of digital goods, whichever comes first. The terms "receive" and "receipt" do not include possession by a shipping company on behalf of the purchaser. This means that the

shipping terms of a sale have no bearing on the tax rate to be charged. The tax rate to be charged is based on where the customer takes receipt of the item being purchased, in a retail sale transaction. These sourcing rules are progressive, depending on certain key elements of the transaction. We will address the most common of these rules.

- *When the product is received by the purchaser at a business location of the seller, the sale shall be sourced to that business location. **Example:** A customer goes to their local home improvement store and purchases paint. The customer pays for the paint and leaves the store with the paint. This is an over the counter sales transaction and the tax rate to be charged would be the rate in effect in the county in which the home improvement store is located.*
- *When the product is not received by the purchaser at a business location of the seller's, the sale shall be sourced to the location where receipt by the purchaser, or purchaser's agent designated as such by the purchaser, occurs, including the location indicated by instruction for delivery to the purchaser or donee, known to the seller. **Example:** A customer goes to a home improvement store, located in Laramie County, and purchases paint, but instead of leaving the store with the paint they request the paint be shipped to their home address in Albany County. The tax rate to be charged would be the sales tax rate in effect in Albany County, as that is where the customer*

will receive the goods purchased.

- *When none the above apply the seller will charge sales tax based on the address they have in their records for the customer.*
- *When none of the above apply the seller will charge sales tax based on the customer's address obtained during the sales transaction. **Example:** The seller would charge sales tax based on the address shown on the customer's check or payment document.*

When a Wyoming vendor ships items out of state, Wyoming tax is not due as the customer receives the goods outside of Wyoming's taxing jurisdiction.

The sourcing for a taxable service is based on where the service is performed. **Example:** A vendor provides an oil change at the vendors' location. The sales tax rate to be charged would be the sales tax rate in effect in the county where service was performed.

Determining the Proper Rate of Tax to Charge for the Lease or Rental of Tangible Personal Property, (Excluding Motor Vehicles and Transportation Equipment).

Leases or rentals that require recurring periodic payments, the first payment is sourced the same as a retail sale, as discussed above. The payments due after the first payment are sourced to the primary property location. **Example:** A customer leases a computer for a period of three years; the customer receives the computer at the local electronics store in Natrona County. The first payment and the tax associated with the first payment is sourced to Natrona County. The customer takes the computer to their home in Laramie

County (primary property location). The subsequent payments in the lease and the tax associated with those payments are sourced to Laramie County. If the primary property location changes (other than for intermittent use at a different location) during the lease period so does the sourcing of the tax.

A lease or rental of tangible personal property that does not require recurring periodic payments, the payment is sourced the same as in a retail sales transaction; i.e. based on the location where the customer takes receipt of the item rented. **Example:** A customer rents a rototiller for weekend, the one and only payment and the tax associated with the payment would be sourced based on where the customer takes receipt of the rototiller.

Lease of Equipment or a Service?

A true lease of equipment involves the transfer of possession of the equipment from the lessor to the lessee. This is a taxable transaction. The lessee will pay tax to the lessor on each payment within the lease. On the other hand, a service is not a lease. When a company is hired to perform a service and the company brings their equipment and utilizes the equipment to perform the service that is not considered a lease, as possession of the equipment does not transfer. The difference is, the company personnel operate the equipment in performing the service.

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