

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](mailto: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 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 Town of Guernsey 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.*

Effective with the tax return quarter beginning January 1, 2013 there will be the following sales, use and lodging tax rate changes in Wyoming.

- The voters of Laramie County approved the imposition of a 1% specific purpose option tax in the August 2012 election. Therefore effective January 1, 2013 the sales/use tax rate will increase to 6%.
- The voters of Platte County approved the imposition of a 1% specific purpose option tax in the August 2012 election. Therefore effective January 1, 2013 the sales/use, tax rate will increase to 6%.
- The voters of Niobrara County approved the continuation of the 1% specific purpose options tax. Therefore the sales/use tax rate will remain at 6%.
- Effective January 1, 2013 the combined sales, use and lodging tax rate for Laramie County will be 10%.
- Effective January 1, 2013 the combined sales, use and lodging tax rate for the town of Guernsey will be 8%.

It is prudent to periodically check our website for notices of tax rate changes. It is possible that there will

be rate changes effective January 1, 2013 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.

New Chapter 2 Sales and Use Tax Rules:

On May 29, 2012 the Governor signed and made effective the new Sales and Use Tax Rules. These rules may be reviewed on our web site at <http://revenue.state.wy.us> In the red banner at the top of the home page click on the "Publications" tab. Under the heading "Statutes/Rules and Regulations, click on Rules and Regulations by Chapter. In the expanded menu that is displayed click on the second item in the list titled "Chapter 2 Sales and Use Tax".

Contact Information for the Excise Tax Division:

Please be aware that when receiving a notice from the Excise Tax Division the appropriate contact information is listed at the bottom of each notice. The first phone number listed is the region service team located in the Cheyenne Office, assigned to your account; the divisions' fax number and web site address is also listed. An e-mail address is provided should you prefer to correspond with the division in writing. We also list the local field representative's phone number assigned to your area. Utilizing this contact information will expedite your response, and you will avoid going through the automated telephone system.

**Taxability Information:**

**Mandatory vs. voluntary gratuities:**

We have noticed some instances where the vendors may not understand the difference between a mandatory gratuity and a voluntary gratuity (tip). It is important to understand because they have differing taxability consequences. A voluntary gratuity (most often referred to as a tip) is given by a customer for service rendered. There is no requirement for the customer to give the gratuity and the gratuity is not placed on the bill the customer receives. The gratuity is given at the total discretion of the customer. These voluntary gratuities are not subject to sales tax because they are not part of the sales price of the item being purchased.

Mandatory gratuities are different, as they are not given at the discretion of the customer. They are added to the bill the customer receives and the customer is expected to pay that amount. This charge is viewed as a component of the sales price because the customer is not given the option to pay the gratuity. Therefore the charge becomes part of the sales price of the item being purchased and is subject to sales tax. The definition of sales price states in pertinent part, Sales price shall apply to...the total amount or consideration...without any deduction for the following...Charges by the seller for any services necessary to complete the sale....

**Oil and Gas Service Providers:**

As a reminder; any entity providing services within an oil or gas well site is a vendor and must have a sales tax license to report all taxable as well as exempt services performed within the oil or gas well site. It does not matter if all the services provided are performed within the pre-production casing phase of the well. The service provider is still acting as a vendor and is required to be licensed for sales tax purposes.

**Social Media Coupons (i.e. Groupon or LivingSocial):**

A vendor contracts with an on-line company to sell vouchers that are redeemable at the vendors business. The purchase of the voucher is not subject to sales tax. The purchaser is exchanging one form of currency for another (i.e. cash or cash equivalent for the voucher). In these situations the vendor will collect tax on the amount the customer paid for the voucher, when the voucher is redeemed. For example: A restaurant sells a \$100.00 voucher for \$50.00 through an on-line company, the customer uses the voucher to purchase goods worth \$100.00. The restaurant owes sales tax on \$50.00 when the voucher is redeemed. In these instances the vendor is not being reimbursed by the on-line company for the difference of the value of the goods sold and the value of the voucher the on-line company actually retains a fee for their services. The fees that the on-line company retains for their services are not subject to sales or use tax. However the restaurant may not deduct the amounts retained by the on-line company from the sales price of the voucher. To be valid the amount paid by the purchaser must be listed on the face of the voucher/coupon.

**Complimentary Food:**

When a restaurant provides a complimentary meal at no charge to their customer, the restaurant owes sales tax on the food based on their cost of the food. The restaurant owes the sales tax because the food was purchased by the restaurant without the payment of tax on a wholesale for resale basis, asserting that the tax would be collected when the food was sold. Since the restaurant didn't sell the food they have the tax liability. The same is true for any vendor that removes items from their tax free inventory for their own use, the vendor is responsible for the tax on those items.

**Electronic Filing:**

As a reminder the department does offer electronic filing for your sales/use tax returns, as well as cigarette wholesaler and other tobacco returns. To sign up to file your taxes or to file and remit taxes electronically from a secured site please go to <https://excise-wyifs.wy.gov>

**Vendor Compensation Calculation:**

We are still experiencing a few issues with vendors calculating vendor compensation incorrectly. When completing your monthly or quarterly sales/use tax return you must report the sales tax due by Jurisdiction in Part II (Jurisdictional Tax Information) prior to calculating vendor compensation. Column 4 in Part II should be the total sales tax due for each jurisdiction. Once you have completed Part II, go to Part I (Summary), you will calculate the vendor compensation credit from the total tax due figure placed in line F.

As a reminder, vendors are allowed to take the vendor compensation credit if the return and payment is postmarked by the 15<sup>th</sup> of the month the tax is due. Example: September returns are due on or before the last day of October. In order to be eligible for the vendor compensation credit you must file and pay by October 15<sup>th</sup>. Vendors are allowed a credit of 1.95% of the tax due for the first \$6250.00 due in tax and 1% of the amount of tax due for any amount exceeding \$6250.00. Remember that this credit is capped at \$500.00 in a reporting period.

**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 |