



Sales, Use and Lodging Tax Guidelines for Dude and Guest Ranches

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Wyoming Department of Revenue

Dude and guest ranches offer an array of activities. Some are working ranches where the guest participates in cattle and sheep operations as determined by the needs of the ranch, while others offer a blend of ranching activities with outdoor activities such as hiking, fishing, entertainment and spa services. Although certain activities offered by dude and guest ranches are also offered by various hospitality establishments, sufficient variation exists that the Department has developed this publication to address the differences as a supplement to the Sales, Use and Lodging Tax Bulletin for the Hospitality Industry.

Central to the western experience provided by dude and guest ranches are the provision of lodging services, meals, and diverse activities. Before we address the tax consequence when these are offered as a package we will address the independent tax consequence of these activities.

Lodging

Lodging services provided to transient guests are subject to Wyoming sales tax and lodging tax, if locally enacted. Guests who stay for less than thirty (30) continuous days are transient and charges for lodging at the guest or dude ranch are subject to tax. Guests who stay for thirty (30) continuous days or longer are not considered transient and lodging services provided to non-transient guests are not subject to Wyoming sales or lodging taxes.

Deposits

It is customary for dude and guest ranches to require a deposit for a future vacation stay. In these circumstances the amount received by the dude or guest ranch for prepayment is not subject to tax until the service is rendered. To illustrate, a dude ranch requires a 50% deposit for vacations booked in July, the height of its season. A guest reserves a room in January and is charged the deposit. Once the guest arrives on July 15th, he is charged the remaining amount. It is in July, when the dude ranch provides the lodging service that the sales and lodging tax, based on the full sales price of the lodging, is remitted to the Department.

Cancellations

Along with deposits, cancellation fees are also customary and are a mechanism used by dude and guest ranches to recover lost revenue opportunities. To determine whether the cancellation fee is subject to tax we must look to whether the ranch recovers the *ability* to provide their service to another, regardless of whether it is actually provided.

To illustrate, let us presume a guest has reserved a vacation stay with deposit and must cancel their reservation. Within the terms of their agreement they lose their deposit or a portion of it. If after the reservation is cancelled the ranch places the

accommodations back into their available inventory it is our position that the funds withheld from the guest are not subject to Wyoming sales or lodging tax. But if the ranch does not place the accommodations back into their available inventory it is our position that the funds withheld from the guest are subject to Wyoming sales and lodging tax, if locally enacted. Note it is not required that the accommodations actually be resold to another, only that they are available should another guest present himself.

Fees for attrition, often seen in a large group environment, are handled in the same manner. If the lodging establishment holds the agreed upon number of accommodations out of inventory for exclusive use of the group then the fee is subject to Wyoming sales and lodging taxes. But if the establishment returns the unnecessary accommodations to their available rental pool then the fee is not subject to the sales and lodging taxes.

Meals

Meals and other foods and beverages for consumption provided by dude and guest ranches are taxable to the guests of the ranch. This includes meals served in the restaurant, campfire cookouts, sack or picnic lunches, etc.

When a ranch purchases food, these purchases may be made without the payment of Wyoming sales tax on a wholesale for resale basis since they are being provided to guests as part of the western experience. This enables the taxing event to be shifted from the wholesale transaction with the food supplier to the retail transaction with the guest. With the exception of gift shop sales, the ranch should collect and remit sales tax on its sales of meals and other foods and beverages consumed by guests. But when it

comes to gift shop sales, a determination must be made if the food can be considered exempt food for domestic home consumption (i.e. an exempt guest purchase) or if it is prepared food (i.e. a taxable guest purchase). Extensive discussion of the difference between food for domestic home consumption and prepared food is available in our Food Bulletin.

Activities

Although dude and guest ranches provide lodging and meals, the focus of the vacation is on the ranch and outdoor experience. To this end many ranches provide guests with third party services as well as ranch-guided and self-guided tours and excursions. These services, tours and excursions may or may not be taxable events for Wyoming sales tax purposes.

Regarding a ranch's purchase of third party services, the ranch should purchase any service from a third party outfitter, guide or similar person on a wholesale for resale basis when it is the intent of the ranch to bill the guest directly for the services provided by the third party. In other words, say that ABC Tours offers a horseback ride to guests of the ranch, and also that the tour company will bill the ranch who in turn bills the guest. When the ranch is billed by ABC Tours the ranch should provide ABC with a properly completed exemption certificate documenting that the transaction is protected from any sales tax that might be applicable and then when the ranch bills the guest, it would or would not charge sales tax depending on the taxability of the ride itself. Please note, if the dude or guest ranch fails to document their purchase as an exempt wholesale for resale transaction that does not preclude them from charging Wyoming sales tax to their guest when these charges are billed, if the tour, excursion or service is indeed taxable. Excise taxes are

transactional and the collection of tax in one transaction does not bear to its collection in another.

Guided Tours

In a direct sense guides offer their knowledge, skill and direction for a fee. This is a professional service for which Wyoming does not impose sales tax. Therefore, fees paid specifically for the skill and direction of a guide are not subject to tax. The tax consequence of a guided tour occurs when a product or service is provided in conjunction with the tour. For example, a guided tour that also includes lunch becomes a taxable tour when the guest is not presented with an invoice that charges a separate price for the meal apart from the guide service. Further discussion of the unique tax consequences faced by Guides and Outfitters is available in our Sales, Use and Lodging Tax Bulletin for the Hospitality Industry.

Lessons

For many a trip to a dude or guest ranch also represents their first foray into ranch and western life. It is normal for some group and occasionally individual lessons to be offered, especially for horseback riding, roping, square dancing and fly fishing. Lessons in these or other areas are not subject to Wyoming sales tax since again the teachers are offering their knowledge, skill and direction for a fee. And like tours Wyoming considers these activities professional services for which there is no imposition of tax.

Equipment

In addition to the skill and direction of a guide, many activities also require equipment. For example, a fly fishing excursion may include the provision of a

rod, reel, flies and other tackle, waders, etc. To determine if the guest is actually renting the equipment we must define a rental. A rental/lease is considered to occur when there is a transfer of possession for period of time. Thus when these items are provided to guests as part of a guided tour and for use only during the duration of the tour, they are not considered to be “rented” to the guest. The guest does not have true possession of the equipment. The equipment is merely available for use during the guided tour. But in contrast when these same pieces are provided to a guest who chooses to embark on their own fly fishing excursion, even if the lake or river is still on the ranch’s property, the guest has obtained possession of the equipment and this is subject to Wyoming sales tax as a rental of tangible personal property. This is true for all rentals of tangible personal property, including but not limited to snowmobiles, snow skis, horse tack, ropes, hiking gear, bikes, watercraft, sporting goods, archery equipment and firearms.

Field Dressing Service

Field dressing, meat cutting and butchering services are considered to be services performed which alter tangible personal property (i.e. the animal being harvested) and are subject to Wyoming sales tax per W.S. 39-15-103(a)(i)(J).

Transportation

When transportation services, such as a shuttle to or from the airport, are provided by the ranch and the guest is charged for such services, the charges are subject to Wyoming sales tax as a sale of intrastate transportation of passengers. In addition, some ranches also provide transportation to nearby towns for shopping, rodeos or other activities. When guests are charged for these

transportation services, it too is subject to Wyoming sales tax. However if the ranch provides a free shuttle to their guest, either to or from the airport or to “town” for shopping, the rodeo or similar, under those circumstances there is no taxing event to the guest.

Spa Services

Services of a masseuse, barber, cosmetologist, etc. are professional services that are also not taxable in the Wyoming statutes. The same would be true for fees to use a communal workout center, fitness classes, meditation area, etc. However sales of personal care products are subject to Wyoming sales tax.

Invoicing

It is not unusual for dude or guest ranches to charge a flat fee, per person per night, or per person per stay for the vacation. Wyoming considers this no different than any other package or consolidated invoice and when all charges (including but not limited to those for lodging, meals, equipment rentals, tours, etc.) are lumped together into a single sales price the entire sales price is subject to both sales and lodging tax if locally enacted. Per *Wyoming Department of Revenue Rules, Chapter, 2, Section 7(a)* unless taxable and non-taxable charges are separately stated and distinguishable from one another the entire invoice is subject to tax, at the highest level of tax applicable to any portion of the invoice had it been itemized. This means that charges for riding lessons which are normally not taxable are subject to both sales and lodging tax. This also means that meals that by themselves are only subject to sales tax are also subject to lodging tax.

Only when the guest is presented with an itemized invoice separating charges for lodging from those subject to sales tax and also separated from charges that are not subject to either sales or lodging tax can each portion retain its own tax consequence.

As a matter of course guests are often invoiced for general services and service charges as line items and we will address these charges as well.

Service Charges

Service charges are subject to Wyoming sales tax and lodging tax, if locally enacted. Service charges are presented generally either as a flat rate or a percentage of the guests overall bill. Because they are not visibly apportioned to the various products or services they are invoiced against, they represent part of the overall sales price of the vacation. All fees required of the purchaser that are necessary to complete the sale are part of the sales price of the product or service being offered. In this case they are part of the price of the vacation and since the vacation also includes lodging services, service charges are subject to both sales and lodging taxes.

Resort Fees

Resort fees are subject to Wyoming sales and lodging taxes, if locally enacted. Resort fees are akin to service fees and represent an additional charge to the guest to enjoy the amenities offered at the ranch. In addition, supplemental marketing fees, even when orchestrated by a local or national Convention and Visitors Bureau, are subject to Wyoming sales tax. These fees lack statutory directive as a tax. Thus they do not fit the exclusion from the statutory definition of sales price.

Gratuities

Wyoming exempts gratuities or tips which are offered to tipped employees whether offered by the consumer or separately invoiced by the seller. Specific to this exemption is the definition of “tipped employee” which is defined as those who are paid a wage of not less than two dollars and thirteen cents (\$2.13) per hour. If the wage plus the tips received by the employee during a given pay period does not equal at least the applicable minimum wage, the employer is required to pay the difference to the tipped employee. In addition, to be considered a "tip" employee, the employee customarily and regularly receives more than thirty dollars (\$30.00) a month in tips and is required to furnish a daily record of tips received on a monthly basis to the employer as outlined by the Internal Revenue Service (IRS).

Exempt gratuities or tips are not synonymous with service fees. Only if the service fee is given in its entirety to only tipped employees (as defined above) would the service fee be exempt from sales/lodging tax; however, when the service fee is not given in its entirety to only tipped employees, the charged service fee is taxable as explained under *Service Fees*.

Although the Department cannot require specific invoicing, it is to a guest's advantage that a dude or guest ranch itemizes the invoice presented to a guest in order for the products and services taxed at different levels to maintain their individual tax consequence. As a result the same vacation, comprising accommodations for 7 nights with 3 meals per day, initial horse riding lesson and daily horseback rides, a fly fishing excursion, rental of fishing equipment for guests own use and

transportation to and from the airport for a party of two could be invoiced as:

Summer Vacation	
\$2900 Inclusive Package	\$2,900.00
15% Service Charge (**)	\$ 435.00
<u>Subtotal</u>	<u>\$3,335.00</u>
Tax, Sales (assuming 6% x \$3,335)	\$ 210.10
<u>Tax, Lodging (assuming 4% x \$3,335)</u>	<u>\$ 133.40</u>
Total	\$3,678.50
** Subject to WY Sales Tax and WY Lodging Tax	

OR

Summer Vacation, for two	
7 nights lodging in Private Cabin (**)	\$1,050.00
Food and Beverage (***)	\$ 600.00
Fishing Equipment Rental, Guest's Own Use (***)	\$ 100.00
Airport Shuttle (***)	\$ 25.00
Riding Lessons (<i>exempt</i>)	\$ 125.00
Horseback Rides (<i>exempt</i>)	\$ 400.00
Fly Fishing on “Big and Little” River (<i>exempt</i>)	\$ 200.00
<u>Staff Gratuities, Required (<i>exempt</i>)</u>	<u>\$ 400.00</u>
<u>Subtotal</u>	<u>\$2,900.00</u>
15% Service Charge (**)	\$ 435.00
Tax, Sales (assuming 6% x \$2,210)	\$ 132.60
<u>Tax, Lodging (assuming 4% x \$1,485)</u>	<u>\$ 59.40</u>
Total	\$3,527.00
**Subject to WY Sales Tax and WY Lodging Tax	
***Subject to WY Sales Tax	

The invoice can also be presented as a marriage of the two noted above, so long as there is itemization based on the level of tax (i.e. those charges subject to Wyoming lodging tax separate from those charges subject to Wyoming sales tax and also separate from those charges that are not taxable. Or in other words, as follows:

Summer Vacation	
Weekly Rate: \$1,050 per person, for two persons	
Lodging Services	\$1050.00
Tax, Lodging (assuming 4% x \$1,050)	\$ 42.00
Tax, Sales (assuming 6% x \$1,050)	\$ 63.00
Food & Beverage, Sales & Rental , Shuttle	
	\$ 725.00
Tax, Sales (assuming 6% x \$725.00)	\$ 43.50
Staff Gratuities Required, Ranch Experiences (i.e. Lessons, Tours, Etc)	
	\$1,125.00
No Tax	\$ 0.00
15% Service Charge (\$2,900 x 15%)	
	\$ 435.00
Tax, Lodging (assuming 4% x \$435)	\$ 17.40
Tax, Sales (assuming 6% x \$435)	\$ 26.10
Total	\$3,527.00

Please note that the Excise Tax Division publishes a quarterly newsletter titled "Taxing Issues." This publication is mailed to all licensed vendors and contains items of general interest such as common taxability issues, forthcoming tax rate changes, and legislative changes. Current and past issues of this publication are available on 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)(i) states:
"Lodging service" means the provision of sleeping accommodations to transient guests and shall include the providing of sites for the placement of tents, campers, trailers, mobile homes or other mobile sleeping accommodations for transient guests;

W.S. 39-15-101(a)(ii) states:
"Lodging tax" means the excise tax imposed on lodging services;

W.S. 39-15-101(a)(viii) states:
"Sales price":
(A) Shall apply to the measure subject to sales tax and means the total amount or consideration, including cash, credit, property and services for which personal property or services are sold, leased or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

- (I) The seller's cost of property sold;
- (II) The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller and any other expense of the seller;
- (III) Charges by the seller for any services necessary to complete the sale other than delivery and installation charges;
- (IV) Delivery charges;
- (V) Installation charges;
- (VI) Repealed by Laws 2007, Ch. 10, 2.

- (B) Shall not include:
 - (I) Discounts, including cash, terms or coupons which are not reimbursed by a third party, which are allowed by a seller and taken by a purchaser on a sale;
 - (II) Interest, financing and carrying charges from credit extended on the sale of personal property or services, if the amount is separate stated on the invoice, bill of sale or similar document given to the purchaser; and
 - (III) Any tax legally imposed directly on the consumer which is separately stated on the invoice, bill of sale or similar document given to the purchaser.

(C) "Sales price" shall include consideration received by the seller from third parties if:

(I) The seller actually receives consideration from a party other than the purchaser and the consideration is directly related to the price reduction or discount on the sale;

(II) The seller has an obligation to pass the price reduction or discount through to the purchaser;

(III) The amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale of the item to the purchaser; and

(IV) One (1) of the following criteria is met:

(1) The purchaser presents a coupon, certificate or other documentation to the seller to claim a price reduction or discount where the coupon certificate or documentation is authorized, distributed or granted by a third party with the understanding that the third party will reimburse any seller to whom the coupon, certificate or documentation is presented;

(2) The purchaser identifies himself to the seller as a member of a group or organization entitled to a price reduction or discount. A preferred customer card that is available to any patron shall not constitute membership in such a group; or

(3) The price reduction or discount is identified as a third party price reduction or discount on the invoice received by the purchaser or on a coupon, certificate or

other documentation presented by the purchaser.

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

"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)(xiv) states:

"Transient guest" means a guest who remains for less than thirty (30) continuous days;

W.S. 39-15-101(a)(xvi) states:

"Wholesale sale" means a sale of tangible personal property or services to a vendor for subsequent sale;

W.S. 39-15-101(a)(xli) states:

"Food" means food for domestic home consumption as defined by department rule and regulation;

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

Taxable event. The following shall apply: Except as provided by W.S. 39-15-105, there is levied an excise tax upon:

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

W.S. 39-15-103(a)(i)(B) states:

Taxable event. The following shall apply: Except as provided by W.S. 39-15-105, there is levied an excise tax upon:

(B) The gross rental paid for the lease or contract transferring

possession of tangible personal property if the transfer of possession would be taxable if a sale occurred;

W.S. 39-15-103(a)(i)(D) states:
Taxable event. The following shall apply:
Except as provided by W.S. 39-15-105, there is levied an excise tax upon:
(D) The sales price paid to carriers for intrastate transportation of passengers;

W.S. 39-15-103(a)(i)(F) states:
Taxable event. The following shall apply:
Except as provided by W.S. 39-15-105, there is levied an excise tax upon:
(F) The sales price paid for meals and cover charges, excluding all gratuities regardless of whether offered by the customer or invoiced by the seller, at any place where meals are regularly served to the public;

W.S. 39-15-103(a)(i)(G) states:
Taxable event. The following shall apply:
Except as provided by W.S. 39-15-105, there is levied an excise tax upon:
(G) The sales price paid for living quarters in hotels, motels, tourist courts and similar establishments providing lodging service for transient guests;

W.S. 39-15-103(a)(i)(N) states:
Taxable event. The following shall apply:
Except as provided by W.S. 39-15-105, there is levied an excise tax upon:
(N) The sales price paid for alcoholic beverages;

W.S. 39-15-105(a)(vi)(E) states:
The following sales or leases are exempt from the excise tax imposed by this article:
For the purpose of exempting sales of services and tangible personal property

which are essential human goods and services, the following are exempt: Sales of food for domestic home consumption.

W.S. 39-15-105(a)(viii)(A) states:
The following sales or leases are exempt from the excise tax imposed by this article:
For the purpose of exempting sales of services and tangible personal property as an economic incentive, the following are exempt: Intrastate transportation of:
(I) Employees to or from work when paid or contracted for by the employee or employer;
(II) Freight and property including oil and gas by pipeline.

W.S. 39-15-105(a)(viii)(D) states:
The following sales or leases are exempt from the excise tax imposed by this article:
For the purpose of exempting sales of services and tangible personal property as an economic incentive, the following are exempt:
(D) Sales of newspapers;

W.S. 39-15-105(a)(v)(D) states:
The following sales or leases are exempt from the excise tax imposed by this article:
For the purpose of exempting sales of services and tangible personal property which are alternatively taxed, the following are exempt:
(D) Gratuities or tips which are offered to tipped employees as specified in W.S. 27-4-202(B) are exempt from the tax whether offered by the consumer or separately invoiced by the seller.

W.S. 27-4-202(b) states:
Effective April 1, 2001 and thereafter, all employers who employ tipped employees shall not pay less than two dollars and thirteen cents (\$2.13) per hour to his tipped

employees. Provided further, if the wage paid by the employer combined with the tips received by the employee during a given pay period does not equal at least the applicable minimum wage as prescribed in subsection (a) of this section, the employer shall pay the difference to the tipped employee. For the purposes of this act, all "tip" employees shall furnish monthly to their respective employers the daily record of tips required to be kept by "tip" employees under the laws of the United States and upon the forms prescribed by the internal revenue service of the United States treasury department. The daily record of tips shall constitute prima facie proof of the amount of tips received by the employee. Proof of a customary tipping percentage of sales or service shall also be an admissible form of proof of the amount of tips. A "tip" employee is one who customarily and regularly receives more than thirty dollars (\$30.00) a month in tips.

W.S. 39-15-101(a)(xli) states:

“Food for domestic home consumption” means substances, whether liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. “Food for domestic home consumption” does not include alcoholic beverages, tobacco or prepared foods;”

W.S. 39-15-101(a)(xlvi)(A) states:
“Prepared food”

(A) Includes:

- (I) Food sold in a heated state or heated by the seller;
- (II) Two (2) or more food ingredients mixed or combined by the seller for sale as a single item; or
- (III) Food sold with eating utensils provided by the seller, including plates,

knives, forks, spoons, glasses, cups, napkins, or straws. A container or package used to transport the food is not an eating utensil.

(B) Does not include:

- (I) Food that is only cut, repackaged, or pasteurized by the seller;
- (II) Eggs, fish, meat, poultry, or foods containing raw animal and which are required or recommended to be cooked by the consumer to prevent food borne illness;
- (III) Food sold by a seller whose proper primary NAICS classification is manufacturing in sector 311, except subsector 3118 dealing with bakeries;
- (IV) Food sold in an unheated state by weight or volume as a single item;
- (V) Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danishes, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas and other bakery goods unless the item is sold as a prepared food under subdivision (xlvi)(A)(III) of this subsection.

WY Dept. of Rev Rules, Chap 2, Sec 2(p) states:

“Prepared food” means food sold in a heated state or heated by the seller; two or more food ingredients mixed or combined by the seller for sale as a single item; or food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate

does not include a container or packaging used to transport the food.

(I) "Prepared food" does not include:

(A) Food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the Food and Drug Administration in chapter 3, part 401.11 of its Food Code so as to prevent food borne illnesses.

(B) Food sold in an unheated state by weight or volume as a single item;

(C) Food sold by a seller whose proper primary NAICS classification is food manufacturing; or

(D) Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies or tortillas which are sold for other than immediate consumption.

(E) "Dietary Supplements" including vitamins, minerals, botanicals, amino acids and other substances used to enhance dietary health.

WY Dept. of Rev Rules, Chap 2, Sec 5(j) states:

Invoices, Bills of Sale, and Receipts. Each vendor of tangible personal property or services upon which a sales or use tax is imposed shall provide a receipt to the purchaser, except as stated in (k) which follows. The vendor must retain copies of all such receipts containing the following:

(i) Vendor's name and address;

(ii) Full and accurate description of the property or service sold (make, model, year, serial number);

(iii) Date of sale;

(iv) Discounts, trade-in allowances, and manufacturers' rebates for motor vehicles;

(v) Net sales price; and

(vi) Sales/use tax paid by the purchaser.

WY Dept. of Rev Rules, Chap 2, Sec 7(a) states:

General. Non-taxable transactions, including sales made for resale, shall be shown separately from taxable charges on sales invoices. The entire invoice amount shall be subject to the sales/use tax if the nontaxable or exempt charges are not separately shown and distinguishable from taxable charges.

WY Dept. of Rev Rules, Chap 2, Sec 13(e) states:

Concessions. The operator of any business or concession for the sale of property or services upon which the tax has been imposed at any location including fairgrounds, or in any building of an agricultural fair, carnival, show, circus, public park, wild west show or rodeo, race track, golf club or course, tennis club or court, passenger depot, city or town streets or public highways and similar places shall collect the sales tax and remit it to the Department.

WY Dept. of Rev Rules, Chap 2, Sec 13(q) states:

Laundry, Dry Cleaning, Pressing and Dyeing. The total charge made for performing the service of laundering, dry cleaning, or pressing shall be subject to the sales tax. Sales of materials and supplies which are necessary in performing the taxable service such as detergents, starch, and cleaning solvent shall be considered

wholesale purchases or sales. The service of linen and towel supply shall be considered to be a laundry service.

WY Dept. of Rev Rules, Chap 2, Sec 13(r) states:

Lodging.

(i) The total amount charged transient guests for board or room or both is subject to the sales tax and any local option lodging tax. The taxable sales price shall include all charges made for all services and supplies furnished in connection with the lodging service. This charge shall include charges for such services as room service meals.

(ii) Charges made by a lodging establishment for facilities other than for lodging, such as meeting rooms, sample rooms and ballrooms shall not be subject to the sales tax.

(iii) A lodging establishment shall be considered to be the consumer of electricity, fuel, linens, cleaning supplies, towels, furniture and other items of tangible personal property necessary for the maintenance of the establishment, and purchases of such items shall be subject to the sales or use tax. Paper cups, hand soap, toilet tissue, paper towels and similar items furnished to guests without additional charge shall be considered to be purchases by the lodging establishment for resale and shall not be subject to sales or use tax. Beverages, food and other convenience items provided to guests shall be considered purchases for resale and not subject to the sales or use tax if the cost of such items is part of the overall charge for lodging services.

(iv) Purchases of intrastate telephone services by the lodging establishment

vendor shall be subject to the sales tax. The vendor shall pay tax on the difference between the cost of intrastate telephone service and the total fees collected from customers for intrastate telephone calls.

(v) Where a guest (individual or corporate) contracts for or leases a room for a term of thirty (30) continuous days, or more, there is no sales tax due. In this arrangement, the first twenty-nine days are not taxable because of the intent to lease for thirty (30) or more continuous days. If, for example, a corporation were to rent a room for a term of thirty (30) continuous days or more and rotate employees during the term, it qualifies as nontaxable because the corporation is considered the guest. The contract, lease, or correspondence should clearly indicate this arrangement. If the lodging service ends before the thirtieth day, the sales tax is due.

WY Dept. of Rev Rules, Chap 2, Sec 13(bb) states:

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.

WY Dept. of Rev Rules, Chap 2, Sec 13(cc) states:

Rentals or Leases. The gross rental paid for a lease or contract where possession of tangible personal property transfers, and such transfer would be taxable if a sale occurred, shall be subject to the sales tax. The owner of such property shall be considered the vendor and shall charge, collect and remit the sales tax on each rental or lease payment. The purchase of tangible personal property which will be exclusively

held for rental, lease or sale shall be considered a wholesale purchase and shall be exempt from the sales tax.

WY Dept. of Rev Rules, Chap 2, Sec 13(ee) states:

Resorts and Dude Ranches. The provision of meals and lodging service by such establishments shall be subject to the sales tax. If no separate charge for meals and lodging services is made by the vendor from charges made for other exempt services, the sales tax shall be applied to the total amount billed.

(i) Vendors subject to this rule shall be considered to be the consumers of electricity, fuel, linens, bedding, cleaning supplies, towels, furniture and other items of tangible personal property necessary for the operation, furnishing and maintenance of the establishment. As such, those vendors shall be liable for the sales/use tax owed on such purchases. Disposable, non-reusable items such as paper cups, hand soap, toilet tissue and paper towels furnished to guests without additional charge shall be considered purchases for resale and shall not be subject to the sales or use tax.