



Interstate Commerce Exemptions

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Wyoming Department of Revenue

Over the years, the Department has had numerous inquiries as to whether Wyoming offers any exemptions related to interstate commerce. While Wyoming Statutes do not directly define “interstate commerce” for the purposes of sales tax exemption(s), we refer to the Federal Motor Carrier Safety Administration (FMCSA) for guidance. Common and contract interstate carriers as well as interstate commerce are all defined by federal regulation. The term common carrier refers to a person or entity when it holds itself out to the public, as willing to furnish transportation within the limits of its facilities to any person who wants it for compensation. A contract carrier is similar to a common carrier in that they are willing to furnish transportation within the limits of its facilities for compensation but differs from common carriers in that they agree to do so only on a contract basis for selected customers. The term interstate commerce refers to trade, traffic or transportation in the United States between a place in a State and a place outside of such State; or between two places in a State through another State or place outside of the United States; or between to places in a State as part of trade, traffic, or transportation originating or terminating outside the State or the United States.

For sales tax purposes, Wyoming does offer two exemptions related to interstate commerce.

W.S. 39-15-105(a)(ii)(B)

This statute exempts; sales of railroad rolling stock including locomotives purchased by interstate railroads, aircraft purchased by interstate air carriers which are holders of valid United States civil aeronautics board permits or authorities, and trucks, truck-tractors, trailers, semitrailers and passenger buses in excess of ten thousand (10,000) pounds gross vehicle weight which are purchased by common or contract interstate carriers or which are operating in interstate commerce under exemption clauses in federal law if they are to be used in interstate commerce.

Common or contract interstate carriers who purchase trucks, truck-tractors, trailers, semi-trailers and passenger buses in excess of ten thousand (10,000) pounds gross vehicle weight and who do so on the basis they will be using the vehicle in interstate commerce are required to hold valid U.S. Department of Transportation (USDOT) permits or authority. Thus a common or contract carrier must document the existence of both a USDOT number and a Motor Carrier (MC) number in their name. Carriers hauling exempt commodities need only to provide the USDOT number in their name. This is in addition to any other permits and proof of insurance required. Please understand that if the weight requirement is not met the vehicle would not qualify for the exemption even with the USDOT and MC numbers. For example, a truck and trailer combination would not be exempt if they each have a gross vehicle weight rating less

than 10,000 pounds but together their combined gross vehicle weight rating exceeded 10,000 pounds, each unit is examined independently.

Furthermore, those carriers who are only qualified as engaging in intrastate commerce only would similarly be excluded from the exemption.

In order to benefit from this exemption, the purchaser should provide the applicable County Treasurer's Office with the required documentation (USDOT & MC numbers), in addition to any other permits, proof of insurance required, bill of sale, and a properly completed Streamlined Sales and Use Tax Agreement Certificate of Exemption. When completing the exemption certificate, the purchaser should in Section 4, note #11 (Transportation and warehousing) and in Section 5, write on line L – Other, Interstate Commerce along with the appropriate USDOT/MC number(s).

W.S. 39-15-105(a)(ii)(C)

This statute exempts; leases of motor vehicles with or without trailers when the lease rental is computed from the gross receipts of the operation, if the operator is operating under a valid interstate authority or permit.

Note; this exemption does not exempt the lease of trailers only.

This exemption allows those persons who do not themselves hold USDOT/MC permits in their name (owner/operator) but will be leasing a qualifying vehicle to a permit holder where the lease rental is computed from the gross receipts of the operation, to register their vehicles without the payment of sales tax.

Examples of such operations could be evidenced by a lease agreement that is based on a fixed rate per loaded mile or a percentage of the gross receipts of the trip or similar agreement. Carriers hauling exempt commodities need only to provide the USDOT number of the party they are operating under.

Examples

John Smith, an owner/operator does not have his own interstate commerce authority (USDOT/MC) but does lease a qualifying vehicle with ABC Trucking Company that has those credentials where the lease stipulates a compensation schedule of \$0.90 (90 cents) per loaded mile as well as stops, pick-ups, or deliveries paid at the rate of \$30.00 per stop. As a result, the lease qualifies as a tax exempt transaction in accordance with W.S. 39-15-105(a)(ii)(C). In order to benefit from this exemption, John Smith must provide the County Treasurer with documentation of the lease agreement, documentation of the MC number and USDOT Certificate of the transportation company (or only USDOT Certificate of the transportation company if exclusively hauling exempt commodities), the necessary insurance, and a properly completed Streamlined Sales and Use Tax Agreement Certificate of Exemption. In completing the exemption certificate, John Smith would indicate #11 (“Transportation and Warehousing”) in Section 4, and indicate “Interstate Commerce” along with the appropriate USDOT/MC number(s) on line “L – Other” in Section 5.

Regarding both exemptions, an interstate carrier is not exempt on each and every vehicle purchased by their company on the basis that they are engaged in interstate commerce as a whole. Only purchasers with the proper credentials and those vehicles

which meet the initial gross vehicle weight requirement and are utilized as noted above qualify for sales tax exemption(s).

Note: While we do have the two exemptions discussed above Wyoming does not have an exemption for repairs performed on these vehicles. Therefore any repairs performed on these vehicles in Wyoming are subject to sales tax.

Furthermore, simply being registered under the International Registration Plan (IRP) has no bearing on whether a sale/lease would be considered taxable or exempt in Wyoming. The (IRP) is merely an agreement between the 48 contiguous states and 3 Canadian provinces (jurisdictions) authorizing proportional registration of trucks and trailers (vehicles) used for interstate commerce and providing for recognition of such registrations in the participating jurisdictions. The IRP allows vehicle owners (registrants) to register their vehicles only once rather than in each jurisdiction and ensures that jurisdictions receive their proportional share of the registrants' registration fees for the use of their highways.

Exemption Certificate

The Streamlined Sales/Use Tax Agreement Certificate of Exemption may be located at the Department of Revenue's website: <http://revenue.wyo.gov/>. On the left of the main page, locate the column titled "Home" > In the Home column find "Excise (Sales & Use) Tax Division" > Select sub category "Forms" select "Exemption Certificate Power of Attorney Forms" > select SSTP Certificate of Exemption with Matrix".

Additional contact information

For additional information and registration we refer you to the authority that administers such numbers, the United States Department of Transportation, Federal Motor Carrier Safety Administration, and the Wyoming Department of Transportation for any additional requirements.

Federal Motor Carrier Safety Administration
Wyoming Division
1637 Stillwater Avenue, Suite F
Cheyenne, WY 82009
Phone: (307) 772-2305
Fax: (307) 772-2905
Web site: www.fincsa.dot.gov/index.htm

Wyoming Department of Transportation
Trucking/Commercial Vehicles
Interstate Operating Authority
5300 Bishop Blvd
Cheyenne, WY
82009-3340
Phone: (307) 777-4829
Web site: www.dot.state.wy.us

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. 39-15-105(a)(ii)(B)
"Sales of railroad rolling stock including locomotives purchased by interstate railroads, aircraft purchased by interstate air carriers which are holders of valid United

States civil aeronautics board permits or authorities, and trucks, truck-tractors, trailers, semitrailers and passenger buses in excess of ten thousand (10,000) pounds gross vehicle weight which are purchased by common or contract interstate carriers or which are operating in interstate commerce under exemption clauses in federal law if they are to be used in interstate commerce;”

W.S. 39-15-105(a)(ii)(C)

“Leases of motor vehicles with or without trailers when the lease rental is computed from the gross receipts of the operation, if the operator is operating under a valid interstate authority or permit;”

WY Dept. of Rev Rules, Chap 2, Sec 12(a)
Exemptions. County Treasurers shall be authorized to administer the following exemptions from the sales or use tax imposed upon the sale of motor vehicles without prior approval of the Department:

WY Dept. of Rev Rules, Chap 2, Sec 12(a)(iv)

Interstate Commerce. Trucks, truck-tractors, trailers, semi trailers and passenger buses in excess of ten thousand (10,000) pounds gross vehicle weight purchased or leased by common or contract interstate carriers shall be exempt from the sales and use tax provided that the vehicles are used in interstate commerce. Purchasers and lessees of such vehicles shall hold valid U.S. Department of Transportation (USDOT) permits or authority as follows to qualify for exemption;

WY Dept. of Rev Rules, Chap 2, Sec 12(a)(v)
Common or contract for hire interstate carriers must document their USDOT number, motor carrier’s permit and insurance requirements to qualify for exemption

WY. Dept. of Rev. Rules, Chap. 2, Sec. 7(b)
Certificates of Exemption

(i) “Vendors shall obtain completed exemption certificates for all sales transactions, other than those qualifying under Section 6 of these rules, where sales tax is not collected from the purchaser at the time of sale. Purchasers shall file a single exemption certificate with each selling vendor for exempt purchases made. The certificates shall be in the format as prescribed by the Streamlined Sales and Use Tax Agreement and shall be retained in the selling vendor’s records. The seller shall obtain identifying information of the purchaser and the reason for claiming a tax exemption at the time of the purchase. A purchaser is not required to provide a signature to claim an exemption from tax unless the paper exemption certificate is used. The seller shall use the standard format for claiming an exemption electronically when that format is adopted by the Governing Board of the Streamlined Sales Tax Project.

(ii) Vendors shall be relieved of the tax otherwise due if the seller obtains a fully completed exemption certificate or captures the relevant data elements listed in subsection (i) above within ninety (90) days of the date of the sale.

(iii) Should the vendor not obtain an exemption certificate or the required relevant information the vendor shall

be allowed 120 days subsequent to a request for substantiation:

(A) To obtain a fully completed exemption certificate from the purchaser taken in good faith which means that the vendor obtains a certificate that claims an exemption that was statutorily available on the date of the transaction in the jurisdiction where the transaction is sourced, could be applicable to the item being purchased, and is reasonable for the purchaser's type of business; or

(B) To obtain other information establishing that the transaction was not subject to the tax.”