



State of Wyoming
**DEPARTMENT OF
REVENUE**
EXCISE TAX DIVISION

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ATTENTION
FARM IMPLEMENT DEALERS
August 7, 2003

The July 1, 2003 sales tax version of the farm implement exemption exempts from sales tax the following:

The sale of farm implements. For purposes of this subparagraph, "farm implements" means any tractor or other machinery designed or adapted and used exclusively for agricultural operations and specifically excludes any vehicle titled under chapter 2 of title 31, snowmobiles, lawn tractors, allterrain vehicles and repair or replacement parts. W. S. 39-15-105(a)(viii)(H). The comparable use tax statute is found at W. S. 39-16-105(a)(vii)(B).

To properly document a farm implement exempt sale the vendor is **required** to obtain a fully completed **ETS Form 101 Exemption Certificate** from the purchaser. One is enclosed for your use. You can also download this form from our web site at: <http://revenue.state.wy.us>.

Wyoming law requires that you retain exemption certificates as part of your business records for audit purposes for three (3) years. W. S. 39-15-107(a)(ii). By rule, which has the force and effect of law, vendors are required to update exemption certificates every three (3) years. Wyoming Department of Revenue Rules, Chapter 2, Section 8(b).

When making an exempt sales determination, the key circumstances noted in Wyoming law relate to two categories. First that the machinery is **designed or adapted** for agricultural operations and second that the machinery is **exclusively used** for agricultural operations.

Remember, as in the past, sales of snowmobiles, lawn tractors, all-terrain vehicles and repair or replacement parts are taxed at the full sales tax rate within the county where the sale took place. Also, the sales price paid for services performed for the repair, alteration or improvement of tangible personal property is subject to sales tax within the county where the service was performed. W. S. 39-15-103(a)(i)(J). This applies to repairs, alterations or improvements made to farm implements.

Now for the **good news!** Farm implement dealers are no longer required to file a Wyoming Farm Implement Sales Tax Return Form 12. All sales will be reported on your Wyoming Sales/Use Tax Return Form 10 or 11. You will report on line one (1) all of your gross sales including farm implement and other exempt sales. On line two (2) you will report all exempt sales then subtract line two from line one and report on line three (3) your taxable sales.

If you have any questions, please contact the Wyoming Department of Revenue at (307) 777-5200.