



# ***Wyoming Use Tax and YOU***

## ***The History***

Wyoming followed the lead of several other states in passing the Sales and Use Tax Act of 1937. Everyone is familiar with sales taxes. But many do not understand the use tax portion of this legislation. The specific statute imposing use tax is W.S. 39-16-103(a)(i-iii). Use taxes are often described as complementary to sales taxes. Use tax applies to purchases of goods from outside Wyoming for storage, use or consumption in Wyoming. This puts all purchases on equal footing for the payment of tax.

Let's assume you make a purchase of tangible personal property outside of Wyoming's taxing jurisdiction. The purchase might include (but is not limited to) the following: appliances, boats, building materials, clothing, furniture, groceries, supplies, cigarettes, other tobacco products, etc. If the purchase is destined for storage, use or consumption in Wyoming, it is subject to use tax. The purchase could have occurred on a visit to a bordering state. A mail order or internet purchase could have been shipped directly to you. In any of these cases, if no sales tax was charged, you are required to pay use tax on the purchase.

## ***The Problem***

The world has changed significantly since 1937. With ease of travel, purchases from neighboring states are an everyday event. Mail order and internet purchases have opened the world to us. When these transactions go untaxed, we are all affected. Look around and consider what your local taxes provide. Schools, law enforcement, healthcare, hospitals, highways and even county dirt roads are all funded by sales and use taxes. We enjoy having these benefits. But remember, sales and use taxes help fund them. In purchase transactions where no sales tax is charged, the use tax liability remains. It is up to each Wyoming purchaser to pay the use tax they owe.

## ***Business & Personal Use***

It is important to recognize that the use tax statute applies equally to business purchases as well as those made by a private consumer. If a business orders business supplies from an out of state vendor and those supplies are delivered to Wyoming, then that transaction is subject to use tax. This can apply to common supplies such as copy paper, toner, light bulbs, etc.

Use tax applies equally to purchases by businesses and professional persons of equipment and tools and supplies for use in conducting their businesses. Examples would be hand and power tools, computers, or testing devices. Use tax applies to those supply items to be consumed by the business, not items of inventory that are purchased for resale.

## ***The Solution***

Educating the public about this obligation is the first step. Please report all purchases of tangible personal property purchased outside the State of Wyoming for storage, use, or consumption within Wyoming. By paying the use tax on your untaxed out-of-state purchases, you do *your* part. People of conscience with a common purpose are capable of great things.

## **Start by doing your part today!**

- ✓ **Private individuals, please remit your Wyoming Consumer Use Tax on Form 44.**
- ✓ **Licensed Wyoming vendors: - if you use Form 41, enter your use tax due in column 5. If you use a Form 42, enter your use tax due in column 6.**
- ✓ **Contractors – Remit your use tax on a Form 45.**

### ***Become a part of the solution! Remember...***

- *Both our state and local communities benefit from the collection of use tax.*
- *The collection of use tax levels the playing field for Wyoming merchants.*
- *Purchasers receive an off-setting credit for any legally imposed sales or use tax paid to another state on purchases.*

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The appropriate use tax rate is the same rate as the current sales tax rate for the county in which possession of the tangible personal property occurs.

**This is a public education initiative of the Wyoming Department of Revenue. For more information please contact:**

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