

## HOUSE BILL NO. HB0007

Sales/use tax-removal of 4th cent.

Sponsored by: Representative(s) Miller and Senator(s) Case

A BILL

for

1 AN ACT relating to taxation and revenue; reducing the state  
2 sales and use tax rate as specified; and providing for an  
3 effective date.

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5 *Be It Enacted by the Legislature of the State of Wyoming:*

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7 **Section 1.** W.S. 39-15-104(a) and (b),  
8 39-15-303(b)(ii) through (iv), 39-15-306(b)(i) and (v) and  
9 39-16-104(b) are amended to read:

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11 **39-15-104. Taxation rate.**

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13 (a) Except as provided by W.S. 39-15-105 there is  
14 levied and shall be paid by the purchaser on all sales an  
15 excise tax of ~~three percent (3%)~~ two percent (2%) upon all  
16 events as provided by W.S. 39-15-103(a).

17

1 (b) Effective July 1, 1993, in addition to the sales  
2 tax under subsection (a) of this section, there is imposed  
3 an additional sales tax of one percent (1%) which shall be  
4 administered as if the sales tax rate under subsection (a)  
5 of this section was increased from ~~three percent (3%)~~ two  
6 percent (2%) to ~~four percent (4%)~~ three percent (3%). The  
7 revenue from these increases shall be distributed in the  
8 same manner as other sales tax revenue under those  
9 sections.

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11 **39-15-303. Imposition.**

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13 (b) Taxpayer. The following shall apply:

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15 (ii) Any subcontractor who contracts with a  
16 general or prime contractor is liable for sales taxes as a  
17 general or prime contractor. The general or prime  
18 contractor shall withhold ~~three percent (3%)~~ two percent  
19 (2%), plus the increased rate under W.S. 39-15-104(b) if  
20 the tax under that section is in effect, of the payments  
21 due a nonresident subcontractor arising out of the contract  
22 entered into between both contractors. The contractor shall  
23 withhold the payments until the subcontractor furnishes him  
24 with a certificate issued by the department showing all

1 sales taxes accruing by reason of the contract between them  
2 have been paid. The department may demand the withholdings  
3 at any time to satisfy the sales tax liability of the  
4 subcontractor and any balance shall be released by the  
5 department to him. If a contractor fails to withhold  
6 payments or refuses to remit them upon demand by the  
7 department he is liable for any sales taxes due the state  
8 by the nonresident subcontractor. This paragraph shall not  
9 apply to any subcontractor hired to provide labor only to  
10 alter, construct, improve or repair real property;

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12 (iii) To secure payment of sales taxes by  
13 nonresident prime contractors, each nonresident contractor  
14 shall file with the department of revenue a surety bond or  
15 legal security equal to ~~three percent (3%)~~ two percent  
16 (2%), plus the increased rate under W.S. 39-15-104(b) if  
17 the tax under that section is in effect, of the payments  
18 due under the contract or an amount determined by the  
19 department. The bond shall be conditioned upon the payment  
20 of all sales taxes which become due and payable to this  
21 state under the contract or in the real property  
22 development. This bond requirement does not apply for a  
23 nonresident contractor who has furnished a surety bond as  
24 provided by W.S. 39-15-306(b) (v);

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(iv) Any nonresident prime contractor and any resident prime contractor who hires a nonresident subcontractor shall register any project with the department of revenue not less than fifteen (15) days following the start of a project pursuant to a contract. The nonresident prime contractor shall provide a properly executed bond as required by paragraph (iii) of this subsection, or a cash deposit of not less than ~~four percent~~ three percent (3%) of the total payments due under the contract. The cash deposit shall be refunded to the contractor upon the department's receipt of a properly executed surety bond or upon satisfactory completion of the project. Failure to register with the department within the time period required by this paragraph shall result in a penalty assessment of one percent (1%) of the total payments due under the contract.

**39-15-306. Licenses; permits; bonding.**

(b) Bonding. The following shall apply:

(i) To secure payment of sales taxes by nonresident prime contractors, each nonresident contractor

1 shall file with the department of revenue a surety bond or  
2 legal security equal to ~~three percent (3%)~~ two percent  
3 (2%), plus the increased rate under W.S. 39-15-104(b) if  
4 the tax under that section is in effect, of the payments  
5 due under the contract or an amount determined by the  
6 department. The bond shall be conditioned upon the payment  
7 of all sales taxes which become due and payable to this  
8 state under the contract or in the real property  
9 development. This bond requirement does not apply for a  
10 nonresident contractor who has furnished a surety bond as  
11 provided by paragraph (v) of this subsection;

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13 (v) Whenever a nonresident general or prime  
14 contractor or nonresident subcontractor furnishes a surety  
15 bond for the faithful performance of his contract or  
16 subcontract there is imposed an additional obligation upon  
17 the surety company to the state of Wyoming and the  
18 department as its agent that the nonresident contractor  
19 shall pay all sales taxes which become due in the  
20 performance of the contract. In the case of a nonresident  
21 general or prime contractor this additional obligation  
22 includes liability to pay the department all sales taxes  
23 which have not been paid to a licensed vendor or the  
24 department by the nonresident contractor. The nonresident

1 general or prime contractor or his surety company is  
2 authorized to recover from the nonresident subcontractor  
3 the amount of sales taxes accruing with respect to  
4 purchases made by the nonresident subcontractor which were  
5 paid to the department by the nonresident contractor or the  
6 surety company, or an amount equal to the sales taxes so  
7 paid by the nonresident contractor may be withheld from  
8 payments made under the contract. The liability of the  
9 surety company under this section is limited to ~~three~~  
10 ~~percent (3%)~~ two percent (2%), plus the increased rate  
11 under W.S. 39-16-104(b) if the tax under that section is in  
12 effect, of the contract price;

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14 **39-16-104. Taxation rate.**

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16 (b) Effective July 1, 1993, in addition to the use  
17 tax under subsection (a) of this section, there is imposed  
18 an additional use tax of one percent (1%) which shall be  
19 administered as if the use tax rates under subsection (a)  
20 of this section were increased from ~~three percent (3%)~~ two  
21 percent (2%) to ~~four percent (4%)~~ three percent (3%). The  
22 revenue from these increases shall be distributed in the  
23 same manner as other use tax revenue under that subsection.

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1       **Section 2.** This act is effective July 1, 2005.

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(END)