

HOUSE BILL NO. HB0116

Sales tax on food-exemption.

Sponsored by: Representative(s) Robinson, Brechtel,
Landon, Martin, McOmie and Thompson and
Senator(s) Barrasso, Decaria, Jennings, Job,
Scott and Sessions

A BILL

for

1 AN ACT relating to taxation and revenue; removing the sales
2 and use tax on food as specified; providing an
3 appropriation for distribution to local governments as
4 specified; amending the sales and use tax distribution
5 formula; and providing for an effective date.

6

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

8

9 **Section 1.** W.S. 39-15-101(a) by creating a new
10 paragraph (xxxix), 39-15-105(a)(vi) by creating a new
11 subparagraph (E), 39-15-111(b)(i), (iii)(intro), (f) and
12 (g), 39-16-101(a) by creating a new paragraph (xvii),
13 39-16-105(a)(vi) by creating a new subparagraph (E) and
14 39-16-111(b)(i), (iii)(intro) and (c) are amended to read:

15

1 **39-15-101. Definitions.**

2

3 (a) As used in this article:

4

5 (xxxix) "Food" means food for domestic home
6 consumption as defined by department rule and regulation.

7

8 **39-15-105. Exemptions.**

9

10 (a) The following sales or leases are exempt from the
11 excise tax imposed by this article:

12

13 (vi) For the purpose of exempting sales of
14 services and tangible personal property which are essential
15 human goods and services, the following are exempt:

16

17 (E) Sales of food for domestic home
18 consumption.

19

20 **39-15-111. Distribution.**

21

22 (b) Revenues earned under W.S. 39-15-104 during each
23 fiscal year shall be recognized as revenue during that
24 fiscal year for accounting purposes. Revenue collected by

1 the department under W.S. 39-15-104 shall be transferred to
2 the state treasurer who shall:

3
4 (i) Until June 30, ~~2004~~2008, subject to
5 subsection (g) of this section, credit ~~seventy and one half~~
6 ~~percent (70.5%) and thereafter~~ sixty-nine percent (69%) and
7 thereafter sixty-four and sixty-five hundredths percent
8 (64.65%) to the state general fund except as provided by
9 subsections (c) and (d) of this section;

10
11 (iii) From the remaining share, ~~until June 30,~~
12 ~~2004, deduct an amount equivalent to one half percent~~
13 ~~(0.5%) and thereafter~~ deduct an amount equivalent to one
14 percent (1%) of the tax collected under W.S. 39-15-104.
15 From this amount, the state treasurer shall distribute
16 ~~until June 30, 2004, twenty thousand dollars (\$20,000.00)~~
17 ~~and thereafter~~ forty thousand dollars (\$40,000.00) annually
18 to each county in equal monthly installments and then
19 distribute the remainder to each county in the proportion
20 that the total population of the county bears to the total
21 population of the state. The balance shall then be paid
22 monthly to the treasurers of the counties, cities and towns
23 for payment into their respective general funds. The
24 percentage of the balance that will be distributed to each

1 county and its cities and towns will be determined by
2 computing the percentage that net sales taxes collected
3 attributable to vendors in each county including its cities
4 and towns bear to total net sales taxes collected of
5 vendors in all counties including their cities and towns.
6 Subject to subsection (h) of this section, this percentage
7 of the balance shall be distributed within each county as
8 follows:

9
10 (f) In addition to the distribution specified in
11 subsection (b) of this section, until June 30, ~~2004-2008,~~
12 ~~twenty-nine and one half percent (29.5%) and thereafter~~
13 ~~thirty-one percent (31%)~~ and thereafter thirty-five and
14 thirty-five hundredths percent (35.35%) of sales taxes
15 collected from out-of-state vendors shall be distributed to
16 counties, cities and towns in the same percentage as
17 determined in paragraph (b)(iii) of this section.

18
19 (g) If the tax imposed under W.S. 39-15-104(b) is
20 reduced to one-half of one percent (.5%) under W.S.
21 39-15-104(d), on and after September 1 of the year in which
22 the reduction occurs, the distributions to the state
23 general fund under paragraph (b)(i) of this section shall
24 be reduced until June 30, ~~2004-2008,~~ from seventy and one-

1 half percent (70.5%) to ~~sixty-eight and one half percent~~
2 ~~(68.5%) and thereafter~~ from sixty-nine percent (69%) to
3 sixty-five percent (65%) and thereafter from sixty-four and
4 sixty-five hundredths percent (64.65%) to fifty-nine and
5 three-fifths percent (59.6%).

6
7 **39-16-101. Definitions.**

8
9 (a) As used in this article:

10
11 (xvii) "Food" means food for domestic home
12 consumption as defined by department rule and regulation.

13
14 **39-16-105. Exemptions.**

15
16 (a) The following purchases or leases are exempt from
17 the excise tax imposed by this article:

18
19 (vi) For the purpose of exempting sales of
20 services and tangible personal property and services which
21 are essential human goods and services, the following are
22 exempt:

1 (E) Purchases of food for domestic home
2 consumption.

3

4 **39-16-111. Distribution.**

5

6 (b) Revenues earned under this article during each
7 fiscal year shall be recognized as revenue during that
8 fiscal year for accounting purposes. Revenue collected by
9 the department from the taxes imposed by this article shall
10 be transferred to the state treasurer who shall:

11

12 (i) Until June 30, ~~2004—2008~~, subject to
13 subsection (g) of this section, credit ~~seventy and one half~~
14 ~~percent (70.5%) and thereafter~~ sixty-nine percent (69%) and
15 thereafter sixty-four and sixty-five hundredths percent
16 (64.65%) to the general fund except as provided by
17 subsections (d) and (e) of this section;

18

19 (iii) From the remaining share, ~~until June 30,~~
20 ~~2004, deduct an amount equivalent to one half percent~~
21 ~~(0.5%) and thereafter~~ deduct an amount equivalent to one
22 percent (1%) of the tax collected under W.S. 39-16-104.
23 From this amount, the state treasurer shall distribute
24 ~~until June 30, 2004, five thousand dollars (\$5,000.00) and~~

1 ~~thereafter~~ ten thousand dollars (\$10,000.00) annually to
2 each county in equal monthly installments and then
3 distribute the remainder to each county in the proportion
4 that the total population of the county bears to the total
5 population of the state. The remainder shall then be paid
6 monthly to the treasurers of the counties, cities and towns
7 for payment into their respective general funds. The
8 percentage of the remainder that will be distributed to
9 each county and its cities and towns will be determined by
10 computing the percentage that net use taxes collected
11 attributable to vendors in each county including its cities
12 and towns bear to total net use taxes collected of vendors
13 in all counties including their cities and towns. The
14 distribution shall be as follows:

15

16 (c) In addition to the distribution in subsection (b)
17 of this section, until June 30, ~~2004-2008~~, ~~twenty nine and~~
18 ~~one half percent (29.5%) and thereafter~~ thirty-one percent
19 (31%) and thereafter thirty-five and thirty-five hundredths
20 percent (35.35%) of use taxes accruing from out-of-state
21 vendors shall be distributed to counties, cities and towns
22 in the same percentage as determined in paragraph (b)(iii)
23 of this section.

24

1 **Section 2.** For the period beginning July 1, 2006 and
2 ending June 30, 2008, there is appropriated to the
3 department of revenue from the general fund not to exceed
4 forty-six million six hundred thousand dollars
5 (\$46,600,000.00) for the purpose of maintaining revenues to
6 local governments that otherwise would be distributed to
7 local governments under W.S. 39-15-111 and 39-16-111 but
8 for the sales and use tax exemptions provided under this
9 act. The department of revenue is authorized to distribute
10 monthly to local governments funds appropriated under this
11 section based upon historical data on distributions made to
12 local governments from sales and use tax revenues from food
13 for domestic consumption. Appropriations under this section
14 shall not be expended for any purpose other than as stated
15 in this section, and unobligated funds shall revert to the
16 budget reserve account on June 30, 2008.

17

18 **Section 3.** This act is effective July 1, 2006.

19

20 (END)