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

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

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

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

39-15-101. Definitions.

(a) As used in this article:

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

39-15-105. Exemptions.

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

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

(E) Sales of food for domestic home consumption.

39-15-111. Distribution.

(b) Revenues earned under W.S. 39-15-104 during each fiscal year shall be recognized as revenue during that fiscal year for accounting purposes. Revenue collected by the department under W.S. 39-15-104 shall be transferred to the state treasurer who shall:

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

(iii) From the remaining share, ~~until June 30, 2004, deduct an amount equivalent to one-half percent (0.5%) and thereafter~~ deduct an amount equivalent to one percent (1%) of the tax collected under W.S. 39-15-104. From this amount, the state treasurer shall distribute ~~until June 30, 2004, twenty thousand dollars ($20,000.00) and thereafter~~ forty thousand dollars ($40,000.00) annually to each county in equal monthly installments and then distribute the remainder to each county in the proportion that the total population of the county bears to the total population of the state. The balance shall then be paid monthly to the treasurers of the counties, cities and towns for payment into their respective general funds. The percentage of the balance that will be distributed to each county and its cities and towns will be determined by computing the percentage that net sales taxes collected attributable to vendors in each county including its cities and towns bear to total net sales taxes collected of vendors in all counties including their cities and towns. Subject to subsection (h) of this section, this percentage of the balance shall be distributed within each county as follows:

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

(g) If the tax imposed under W.S. 39-15-104(b) is reduced to one-half of one percent (.5%) under W.S. 39-15-104(d), on and after September 1 of the year in which the reduction occurs, the distributions to the state general fund under paragraph (b)(i) of this section shall be reduced until June 30, ~~2004~~ 2008, from seventy and one-half percent (70.5%) to ~~sixty eight and one half percent (68.5%) and thereafter~~ from sixty-nine percent (69%) to sixty-five percent (65%) and thereafter from sixty-four and sixty-five hundredths percent (64.65%) to fifty-nine and three-fifths percent (59.6%).

39-16-101. Definitions.

(a) As used in this article:

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

39-16-105. Exemptions.

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

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

(E) Purchases of food for domestic home consumption.

39-16-111. Distribution.

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

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

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

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

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

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

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

(END)