HOUSE BILL NO. HB0093

Sales tax on food-permanent exemption 2.

Sponsored by: Representative(s) Anderson, R.

A BILL

for

AN ACT relating to taxation and revenue; removing the sales and use tax on food as specified; amending the sales and use tax distribution formula; repealing the optional reduction in sales and use tax rate based upon the general fund balance to stabilize revenue as specified; 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) and (f), 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-seven and two-tenths percent (67.2%) 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-two and eight-tenths percent (32.8%) 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.

**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-seven and two-tenths percent (67.2%) 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-two and eight-tenths percent (32.8%) 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.** W.S. 39-15-104(d), 39-15-111(g), 39-16-104(d) and 39-16-111(g) are repealed.

**Section 3.** This act is effective July 1, 2007.

(END)