HOUSE BILL NO. HB0154

Sales tax on food-exemption.

Sponsored by: Representative(s) McOmie, Gentile, Gingery, Hallinan, Hammons, Harshman, Illoway, Jorgensen, Landon and Meyer and Senator(s) Barrasso, Job, Ross and Sessions

A BILL

for

AN ACT relating to taxation and revenue; removing the sales and use tax on food for a specified time period; amending sales and use tax distributions; providing a definition; 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), by creating a new paragraph (iv), (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), by creating a new paragraph (iv) and (c) are amended to read:

39-15-101. Definitions.

(a) As used in this article:

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

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:

<u>(E) Until July 1, 2013, sales of food for domestic home consumption.</u>

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 percent (64%) to the state general fund except as provided by subsections (c) and (d) of this section. On and after July 1, 2013, subject to subsection (g) of this section, credit sixty-nine percent (69%) to the state general fund except as provided by subsections (c) and (d) of this section;

(iii) Except as provided by paragraph (iv) of this subsection through June 30, 2013, 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:

(iv) Until July 1, 2013, before any amounts are distributed under paragraph (iii) of this subsection, an amount equal to two percent (2.0%) of the tax collected under W.S. 39-15-104 shall be distributed to all counties imposing the tax authorized under W.S. 39-15-204(a)(i). The amount shall be paid monthly to the treasurers of the counties, cities and towns for payment into their respective general funds. The amount to be distributed to each county and its cities and towns shall be determined by computing the percentage that net sales taxes collected under W.S. 39-15-204(a)(i) attributable to vendors in each county including its cities and towns bear to total net sales taxes collected under W.S. 39-15-204(a)(i) of vendors in all counties including their cities and towns. Subject to subsection (h) of this section, this amount shall be distributed within each county as follows:

(A) To each county in the proportion that the population of the county situated outside the corporate limits of its cities and towns bears to the total population of the county including cities and towns;

(B) To each city and town within the county in the proportion the population of the city or town bears to the population of the county.

(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-six percent (36%) of sales taxes collected from out-of-state vendors shall be distributed to counties, cities and towns in the same ~~percentage~~ percentages as determined in ~~paragraph~~ paragraphs (b)(iii) and (iv) of this section. On and after

July 1, 2013, in addition to the distribution specified in subsection (b) of this section, thirty-one percent (31%) 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 on and after July 1, 2008 through June 30, 2013, from sixty-four percent (64%) to sixty percent (60%), and on and after July 1, 2013, from sixty-nine percent (69%) to sixty-five percent (65%).

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) Until July 1, 2013, 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 percent (64%) to the general fund except as provided by subsections (d) and (e) of this section. On and after July 1, 2013, subject to subsection (g) of this section, credit sixty-nine percent (69%) to the state general fund except as provided by subsections (d) and (e) of this section;

(iii) Except as provided by paragraph (iv) of this subsection through June 30, 2013, 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:

(iv) Until July 1, 2013, before any amounts are distributed under paragraph (iii) of this subsection, an amount equal to two percent (2.0%) of the tax collected under W.S. 39-16-104 shall be distributed to all counties imposing the tax authorized under W.S. 39-16-204(a)(i). The amount shall be paid monthly to the treasurers of the counties, cities and towns for payment into their respective general funds. The amount to be distributed to each county and its cities and towns shall be determined by computing the percentage that net use taxes collected under W.S. 39-16-204(a)(i) attributable to vendors in each county including its cities and towns bear to total net use taxes collected under W.S. 39-16-204(a)(i) of vendors in all counties including their cities and towns. This amount shall be distributed within each county as follows:

(A) To each county in the proportion that the population of the county situated outside the corporate limits of its cities and towns bears to the total population of the county including cities and towns;

(B) To each city and town within the county in the proportion the population of the city or town bears to the population of the county.

(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-six percent (36%) of use taxes accruing from out-of-state vendors shall be distributed to counties, cities and towns in the same ~~percentage~~ percentages as determined in ~~paragraph~~ paragraphs (b)(iii) and (iv) of this section. On and after July 1, 2013, in addition to the distribution specified in subsection (b) of this section, thirty-one percent (31%) of use 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.

Section 2. This act is effective July 1, 2008.

(END)