

HOUSE BILL NO. HB0067

Data processing center-sales/use tax exemption.

Sponsored by: Representative(s) Illoway, Anderson, R.,
Brown, Buchanan, Byrd, Carson, Madden,
Millin, Patton, Pedersen and Throne and
Senator(s) Anderson, J., Burns, Cooper,
Hunnicut, Jennings, Larson, Martin and Ross

A BILL

for

1 AN ACT relating to taxation and revenue; providing a sales
2 and use tax exemption on certain data processing centers
3 and equipment as specified; providing a definition;
4 providing qualifications; and providing for an effective
5 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 (xliv), 39-15-105(a)(viii) by creating a new
11 subparagraph (S) and 39-16-105(a)(viii) by creating a new
12 subparagraph (H) are amended to read:

13

14 **39-15-101. Definitions.**

15

1 (a) As used in this article:

2

3 (xliv) "Data processing services center" means a
4 business or business unit which is primarily engaged in
5 providing infrastructure to house a group of network server
6 computers and associated network storage devices in one (1)
7 physical location in order to centralize one (1) or more of
8 the following: storage, management, processing or
9 dissemination of data and information pertaining to a
10 particular business, taxonomy or body of knowledge. The
11 business may provide specialized hosting activities such as
12 web hosting, streaming services or application hosting;
13 application service provisioning; or general time-share
14 mainframe facilities to itself or to its clients. The
15 client of a data processing services center may be a person
16 or company not affiliated with the data processing services
17 center or other business unit within the business entity
18 which owns the data processing services center.

19

20 **39-15-105. Exemptions.**

21

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

24

1 (viii) For the purpose of exempting sales of
2 services and tangible personal property as an economic
3 incentive, the following are exempt:

4
5 (S) The sales price paid for the purchase
6 or rental of computer equipment including computers,
7 servers, monitors, keyboards, storage devices and other
8 peripherals, racking systems, cabling and trays that are
9 necessary for the operation of a data processing services
10 center when the aggregate purchase of the qualifying
11 equipment exceeds two million dollars (\$2,000,000.00) in
12 any calendar year. For the purpose of claiming this
13 exemption, the purchaser shall demonstrate to the
14 department that he:

15
16 (I) Has a physical location in this
17 state where the exempt equipment purchased shall be
18 maintained and operated until the equipment is scheduled
19 for replacement or until it has reached the end of its
20 serviceable life;

21
22 (II) Shall make an initial total
23 capital asset investment in a physical location in this
24 state of not less than five million dollars (\$5,000,000.00)

1 or has made a capital investment in a physical location in
2 this state of not less than five million dollars
3 (\$5,000,000.00) in the five (5) years immediately preceding
4 the effective date of this subparagraph;

5
6 (III) Has retained adequate
7 documentation to demonstrate that the total purchase of
8 qualifying computer equipment exceeds the annual threshold
9 of two million dollars (\$2,000,000.00);

10
11 (IV) Will accrue the excise tax on
12 purchase of otherwise qualifying equipment where the annual
13 threshold of two million dollars (\$2,000,000.00) was not
14 met. The tax shall be remitted to the department not later
15 than the end of January immediately following the end of
16 the calendar year where the threshold was not met to avoid
17 the assessment of penalty and interest on any amount of tax
18 due.

19
20 **39-16-105. Exemptions.**

21
22 (a) The following purchases or leases are exempt from
23 the excise tax imposed by this article:
24

1 (viii) For the purpose of exempting sales of
2 services and tangible personal property as an economic
3 incentive, the following are exempt:

4
5 (H) The sales price paid for the purchase
6 or rental of computer equipment including computers,
7 servers, monitors, keyboards, storage devices and other
8 peripherals, racking systems, cabling and trays that are
9 necessary for the operation of a data processing services
10 center when the aggregate purchase of the qualifying
11 equipment exceeds two million dollars (\$2,000,000.00) in
12 any calendar year. For the purpose of claiming this
13 exemption, the purchaser shall demonstrate to the
14 department that he:

15
16 (I) Has a physical location in this
17 state where the exempt equipment purchased shall be
18 maintained and operated until the equipment is scheduled
19 for replacement or until it has reached the end of its
20 serviceable life;

21
22 (II) Shall make an initial total
23 capital asset investment in a physical location in this
24 state of not less than five million dollars (\$5,000,000.00)

1 or has made a capital investment in a physical location in
2 this state of not less than five million dollars
3 (\$5,000,000.00) in the five (5) years immediately preceding
4 the effective date of this subparagraph;

5
6 (III) Has retained adequate
7 documentation to demonstrate that the total purchase of
8 qualifying computer equipment exceeds the annual threshold
9 of two million dollars (\$2,000,000.00);

10
11 (IV) Will accrue the excise tax on
12 purchase of otherwise qualifying equipment where the annual
13 threshold of two million dollars (\$2,000,000.00) was not
14 met. The tax shall be remitted to the department not later
15 than the end of January immediately following the end of
16 the calendar year where the threshold was not met to avoid
17 the assessment of penalty and interest on any amount of tax
18 due.

19

1 **Section 2.** This act is effective immediately upon
2 completion of all acts necessary for a bill to become law
3 as provided by Article 4, Section 8 of the Wyoming
4 Constitution.

5

6

(END)