

FISCAL NOTE

	FY 2025	FY 2026	FY 2027
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase			
GENERAL FUND	\$5,800,000	\$5,800,000	\$5,800,000
LOCAL SOURCES FUND	\$5,600,000	\$5,600,000	\$5,600,000

Source of revenue increase:

This bill imposes a sales tax on the sales price for access to digital products through streaming or subscription services.

Assumptions:

The above estimate is based on South Dakota taxable sales by Standard Industrial Classification (SIC code 4841-Cable & Other Pay TV Services) published by the South Dakota Department of Revenue for fiscal year 2023, adjusted by the ratio of Wyoming's population to South Dakota's population as of July 2022 (63.9%). A combined state and local sales tax rate of 5.48% is assumed.

The bill revises 13 other provisions. The Department of Revenue (DOR) indicates these provisions will have no significant fiscal impact on revenues. These items are described below:

- Vendor Licensing Thresholds (page 2) - The DOR isn't actively seeking compliance for operations like garage sales or children's lemonade stands.
- Sales Tax on Free Admissions (page 3) - The DOR is unaware of companies reporting sales tax on free admissions.
- Services to Tangible Personal Property (page 3) - The bill reflects how the DOR has administered this provision.
- Power Used in the Transportation Business (page 5) - The bill reflects how the DOR has administered this provision.
- User Fee Taxation (page 5) - This bill clarifies an exemption on the sales price of admission for county or municipal owned recreation facilities that currently includes user fees. There is no imposition of sales tax on user fees in current law and the bill does not impose a sales tax on user fees.
- Manufacturing Exemption (page 6) - The bill reflects how this exemption has been administered.
- Voluntary Licensing (page 6) - The majority of vendors that voluntarily license with the DOR are from out-of-state and submit no sales tax.
- Principal Residence for Motor Vehicles (page 8-9) - Most County Treasurers can currently use the documentation described in the bill.
- Vendor Compensation (page 9) - The DOR anticipates no significant fiscal impact from this provision. Vendors would now be eligible for 1.95% up to \$500 rather than 1.95% up to the first \$6,250 in tax, then 1% up to \$500.
- Refund Approvals or Denials (page 10-11) - The DOR anticipates no fiscal impact from this provision, as this provision is an administrative function.
- Resort District Tax (page 11-12) - The bill reflects what is happening now with the resort districts. Out-of-state vendors are currently collecting and reporting resort district taxes.

- Remote Seller Thresholds (page 12) - The DOR anticipates no fiscal impact from this provision, as many remote sellers into Wyoming meet the requirement based on the \$100,000 threshold rather than the 200 separate transactions.
- Annual Exemption Surveys (page 14) - The DOR anticipates no fiscal impact from this repeal as the exemption surveys are an administrative task.

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