

**DRAFT ONLY  
NOT APPROVED FOR  
INTRODUCTION**

HOUSE BILL NO. [BILL NUMBER]

Sales tax-local distribution.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to sales and use taxes; increasing the sales  
2 and use tax rate; providing for distribution of the additional  
3 tax revenue; and providing for an effective date.

4

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

6

7 **Section 1.** W.S. 39-15-104 by creating a new subsection  
8 (h), 39-15-111(b)(intro) and by creating new subsections (p)  
9 through (s) are amended to read:

10

11 **39-15-104. Taxation rate.**

12

1       (h) Effective July 1, 2019, in addition to the sales  
2 tax under subsections (a) and (b) of this section there is  
3 imposed an additional sales tax of one half of one percent  
4 (0.5%) which shall be administered as if the sales tax rate  
5 under subsections (a) and (b) of this section was increased  
6 from four percent (4%) to four and one-half percent (4.5%).  
7 The revenue from the sales tax imposed under this subsection  
8 shall be distributed as provided in W.S. 39-15-111(p).

9

10       **39-15-111. Distribution.**

11

12       (b) Revenues earned under W.S. 39-15-104 during each  
13 fiscal year shall be recognized as revenue during that fiscal  
14 year for accounting purposes. Except as provided in  
15 subsection (p) of this section, for all revenue collected by  
16 the department under W.S. 39-15-104 the department shall:

17

18       (p) The first fifty million dollars (\$50,000,000.00) of  
19 revenue collected by the department pursuant to W.S.  
20 39-15-104(h) and 39-16-104(g) in a fiscal year shall be  
21 distributed as provided in this subsection. Any revenue above  
22 fifty million dollars (\$50,000,000.00) collected in the  
23 fiscal year pursuant to W.S. 39-15-104(h) and 39-16-104(g)

1 shall be distributed as provided in subsection (b) of this  
2 section. For revenue distributed under this subsection the  
3 department shall:

4  
5 (i) Provide two-thirds (2/3) of eighty-nine  
6 percent (89%) of the total amount distributed for direct  
7 distribution to cities and towns as provided in subsection  
8 (q) of this section, provided that five percent (5%) of the  
9 amount available under this paragraph shall only be  
10 distributed for direct distributions to cities and towns as  
11 provided in paragraph (q)(ii) of this section;

12  
13 (ii) Provide one-third (1/3) of eighty-nine  
14 percent (89%) of the total amount distributed for direct  
15 distribution to counties as provided in subsection (r) of  
16 this section;

17  
18 (iii) Provide five and one-half percent (5.5%) of  
19 the total amount distributed for direct distribution to  
20 cities and towns as provided in subsection (q) of this  
21 section, provided that five percent (5%) of the amount  
22 available under this paragraph shall only be distributed for

1 direct distributions to cities and towns as provided in  
2 paragraph (q)(ii) of this section;

3

4 (iv) Provide five and one-half percent (5.5%) of  
5 the total amount distributed for direct distribution to  
6 counties as provided in subsection (r) of this section.

7

8 [CITY AND TOWN DIRECT DISTRIBUTION ALLOCATIONS]

9

10 (q) Funds distributed for cities and towns under  
11 paragraphs (p)(i) and (iii) of this section shall be  
12 distributed to cities and towns as provided in this  
13 subsection. Distributions in each fiscal year shall be made  
14 in equal amounts on August 15 and January 15 of each fiscal  
15 year as calculated prior to the August 15 distribution,  
16 subject to the following:

17

18 (i) From these distributions each municipality  
19 with a population of thirty-five (35) or less shall first  
20 receive ten thousand dollars (\$10,000.00) and each  
21 municipality with a population over thirty-five (35) shall  
22 first receive twenty thousand dollars (\$20,000.00). From the  
23 remainder, each municipality shall receive amounts in

1 accordance with the municipal supplemental funding formula  
2 provided in this paragraph. The municipal supplemental  
3 funding formula shall be calculated by the office of state  
4 lands and investments as follows:

5  
6 (A) For each fiscal year calculate the per  
7 capita sales and use tax revenues available to each  
8 municipality using the sales and use tax distributions to  
9 each county attributable to the fiscal year immediately  
10 preceding the most recently completed fiscal year, including  
11 distributions to each municipality within that county, under  
12 W.S. 39-15-111(b) and 39-16-111(b), but excluding the  
13 distribution exclusively to counties under W.S.  
14 39-15-111(b)(iii) made from an amount equivalent to one  
15 percent (1%) of the tax collected under W.S. 39-15-104, and  
16 excluding the distribution exclusively to counties under W.S.  
17 39-16-111(b)(iii) made from an amount equivalent to one  
18 percent (1%) of the tax collected under W.S. 39-16-104;

19  
20 (B) Calculate the inverse by dividing one (1)  
21 by the per capita sales and use tax determined under  
22 subparagraph (A) of this paragraph for each municipality;

23

1                   (C) Calculate the normalized per capita sales  
2 and use tax number for each municipality by dividing the  
3 number determined under subparagraph (B) of this paragraph  
4 for the municipality by the total of all inverse per capita  
5 sales and use tax numbers calculated under subparagraph (B)  
6 of this paragraph;

7  
8                   (D) Multiply the normalized per capita sales  
9 and use tax number for each municipality by seventy-five  
10 percent (75%);

11  
12                   (E) For each fiscal year calculate the per  
13 capita assessed value for the prior tax year corresponding to  
14 the most recently completed calendar year for each  
15 municipality by dividing the total assessed valuation within  
16 the municipality by the population of the municipality;

17  
18                   (F) Calculate the inverse by dividing one (1)  
19 by the per capita assessed value determined under  
20 subparagraph (E) of this paragraph for each municipality;

21  
22                   (G) Calculate the normalized per capita  
23 assessed value number for each municipality by dividing the

1 number determined under subparagraph (F) of this paragraph  
2 for the municipality by the total of all inverse per capita  
3 assessed value numbers calculated under subparagraph (F) of  
4 this paragraph;

5  
6 (H) Multiply the normalized per capita  
7 assessed value number for each municipality by twenty-five  
8 percent (25%);

9  
10 (J) Multiply the sum of subparagraphs (D) and  
11 (H) of this paragraph by the population of the municipality;

12  
13 (K) Calculate the normalized index for each  
14 municipality by dividing the number determined under  
15 subparagraph (J) of this paragraph for the municipality by  
16 the sum of all numbers calculated under subparagraph (J) of  
17 this paragraph;

18  
19 (M) Determine the amount to distribute to  
20 each municipality by multiplying the normalized index number  
21 determined under subparagraph (K) of this paragraph by the  
22 amount remaining available for distribution under this  
23 paragraph.

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(ii) From the amounts available as provided in paragraphs (p)(i) and (iii) of this section, each city or town shall receive amounts in accordance with a city and town revenue challenged formula as provided in this paragraph. The revenue challenged formula shall be calculated by the office of state lands and investments as follows:

(A) For each fiscal year, calculate the lowest quartile amount received by cities and towns on a per capita basis using amounts received under this subsection plus amounts distributed to each city and town using the sales and use tax distributions to each county attributable to the fiscal year immediately preceding the most recently completed fiscal year, including distributions to each municipality within that county, under W.S. 39-15-111(b) and 39-16-111(b), but excluding the distribution exclusively to counties under W.S. 39-15-111(b)(iii) made from an amount equivalent to one percent (1%) of the tax collected under W.S. 39-15-104 and excluding the distribution exclusively to counties under W.S. 39-16-111(b)(iii) made from an amount equivalent to one percent (1%) of the tax collected under W.S. 39-16-104;



1                   (B) Determine each city or town that received  
2 a per capita amount that is less than the lowest quartile  
3 amount determined under subparagraph (A) of this paragraph;

4  
5                   (C) For each city or town that received a per  
6 capita amount that is less than the lowest quartile amount as  
7 provided in subparagraph (B) of this paragraph, determine the  
8 amount that would be necessary to increase the per capita  
9 amount distributed to that city or town to the lowest quartile  
10 amount determined under subparagraph (A) of this paragraph;

11  
12                   (D) Determine the amount to distribute to  
13 each city or town that received an amount that is less than  
14 the lowest quartile amount determined under subparagraph (A)  
15 of this paragraph by distributing the amount available under  
16 this paragraph on a pro rata basis, up to the lowest quartile  
17 amount, based on the amounts determined under subparagraph  
18 (C) of this paragraph.

19  
20                   [COUNTY DIRECT DISTRIBUTION ALLOCATIONS]

21  
22                   (r) Funds distributed for counties in paragraphs  
23 (p)(ii) and (iv) of this section shall be distributed to

1 counties as provided in this subsection. Distributions in  
2 each fiscal year shall be made in equal amounts on August 15  
3 and January 15 of each fiscal year as calculated prior to the  
4 August 15 distribution. From these distributions each county  
5 shall receive the following:

6  
7 (i) From these distributions each county with an  
8 assessed value for the prior tax year corresponding to the  
9 most recently completed calendar year of less than three  
10 hundred thousand dollars (\$300,000.00) per mill shall first  
11 receive an amount equal to three (3) times the difference  
12 between three hundred thousand dollars (\$300,000.00) and the  
13 actual value of one (1) mill within the county. From the  
14 remainder, each county shall receive amounts in accordance  
15 with a county supplemental funding formula as provided in  
16 this paragraph. The county supplemental funding formula shall  
17 be calculated by the office of state lands and investments as  
18 follows:

19  
20 (A) For each fiscal year calculate the per capita  
21 sales and use tax revenues available to each county using the  
22 sales and use tax distributions to each county attributable  
23 to the fiscal year immediately preceding the most recently

1 completed fiscal year, excluding distributions to each  
2 municipality within that county, under W.S. 39-15-111(b) and  
3 39-16-111(b);

4

5 (B) Calculate the inverse by dividing one (1)  
6 by the per capita sales and use tax determined under  
7 subparagraph (A) of this paragraph for each county;

8

9 (C) Calculate the normalized per capita sales  
10 and use tax number for each county by dividing the number  
11 determined under subparagraph (B) of this paragraph for the  
12 county by the total of all inverse per capita sales and use  
13 tax numbers calculated under subparagraph (B) of this  
14 paragraph;

15

16 (D) Multiply the normalized per capita sales  
17 and use tax number determined under subparagraph (C) of this  
18 paragraph for each county by twenty-four percent (24%);

19

20 (E) For each fiscal year calculate the per  
21 capita assessed value for each county by dividing the total  
22 assessed valuation within the county for the prior tax year

1 corresponding to the most recently completed calendar year by  
2 the population of the county;

3  
4 (F) Calculate the inverse by dividing one (1)  
5 by the per capita assessed value determined under  
6 subparagraph (E) of this paragraph for each county;

7  
8 (G) Calculate the normalized per capita  
9 assessed value number for each county by dividing the number  
10 determined under subparagraph (F) of this paragraph for the  
11 county by the total of all inverse per capita assessed value  
12 numbers calculated under subparagraph (F) of this paragraph;

13  
14 (H) Multiply the normalized per capita  
15 assessed value number determined under subparagraph (G) of  
16 this paragraph for each county by seventy-six percent (76%);

17  
18 (J) Calculate a cost of government index for  
19 each county, which shall be determined by multiplying six  
20 hundred twenty-eight (628) by the population of the county  
21 and then adding nine million nine hundred thousand  
22 (9,900,000) to the result;

23

1                   (K) Calculate the normalized cost of  
2 government index number for each county by dividing the number  
3 determined under subparagraph (J) of this paragraph for the  
4 county by the total of all cost of government index numbers  
5 calculated under subparagraph (J) of this paragraph;

6  
7                   (M) Multiply the sum of subparagraphs (D) and  
8 (H) of this paragraph by the normalized cost of government  
9 index number determined in subparagraph (K) of this paragraph  
10 for each county;

11  
12                   (N) Calculate the normalized index for each  
13 county by dividing the number determined under subparagraph  
14 (M) of this paragraph for the county by the total of all  
15 numbers calculated under subparagraph (M) of this paragraph;

16  
17                   (O) Determine the amount to distribute to  
18 each county by multiplying the normalized index number  
19 determined under subparagraph (N) of this paragraph by the  
20 amount remaining available for distribution under this  
21 paragraph.

22

1       (s) For purposes of subsections (p) through (r) of this  
2 section, population is to be determined by resort to the most  
3 recent decennial federal census as reported by the economic  
4 analysis division within the department of administration and  
5 information and as defined in W.S. 8-1-102(a)(xv).

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7       **Section 2.** This act is effective July 1, 2019.

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(END)