

HOUSE BILL NO. HB0088

Sales and use tax exemption-manufacturing equipment.

Sponsored by: Representative(s) Illoway, Edwards, Latta
and Ross and Senator(s) Anderson, J.

A BILL

for

1 AN ACT relating to taxation and revenue; providing for a
2 sales and use tax exemption for machinery and machine tools
3 used in manufacturing as specified; providing definitions;
4 and providing for an effective date.

5

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

7

8 **Section 1.** W.S. 39-15-101(a) by creating new
9 paragraphs (xix) through (xxi), 39-15-105(a)(viii) by
10 creating a new subparagraph (M), 39-16-101(a) by creating
11 new paragraphs (xiii) through (xv) and 39-16-105(a)(viii)
12 by creating a new subparagraph (C) are amended to read:

13

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

15

16 (a) As used in this article:

17

1 (xix) "Directly and predominantly in
2 manufacturing" means an item manufactured from inventoried
3 raw or prepared material beginning at the point at which
4 raw or prepared material is moved from plant inventory on a
5 contiguous plant site and ending at a point at which
6 manufacturing has altered the raw or prepared material to
7 its completed form, including packaging, if required.
8 Machinery used during the manufacturing process to move
9 material from one direct production step to another in a
10 continuous flow and machinery used in testing during the
11 manufacturing process shall be deemed to be used directly
12 and predominantly in manufacturing;

13
14 (xx) "Machinery" means all tangible personal
15 property eligible for a sales tax exemption pursuant to
16 W.S. 39-15-105(a)(viii)(M), used to produce an article of
17 tangible personal property. The term includes both the
18 basic unit and any adjunct or attachment necessary for the
19 basic unit to accomplish its intended function, the
20 materials for the construction or repair of machinery, and
21 machine tools;

22
23 (xxi) "Manufacturing" means the operation of
24 producing a new product, article, substance or commodity

1 different from and having a distinctive nature, character
2 or use from the raw or prepared material.

3
4 **39-15-105. Exemptions.**

5
6 (a) The following sales or leases are exempt from the
7 excise tax imposed by this article:

8
9 (viii) For the purpose of exempting sales of
10 services and tangible personal property as an economic
11 incentive, the following are exempt:

12
13 (M) The sale or lease of machinery to be
14 used in this state directly and predominantly in
15 manufacturing tangible personal property, if the sale or
16 lease:

17
18 (I) Is in excess of one thousand
19 dollars (\$1,000.00); and

20
21 (II) Is completed in the case of a
22 sale, or executed in the case of a lease, on or after July
23 1, 2003.

24

1 **39-16-101. Definitions.**

2

3 (a) As used in this article:

4

5 (xiii) "Directly and predominantly in
6 manufacturing" means an item manufactured from inventoried
7 raw or prepared material beginning at the point at which
8 raw or prepared material is moved from plant inventory on a
9 contiguous plant site and ending at a point at which
10 manufacturing has altered the raw or prepared material to
11 its completed form, including packaging, if required.
12 Machinery used during the manufacturing process to move
13 material from one direct production step to another in a
14 continuous flow and machinery used in testing during the
15 manufacturing process shall be deemed to be used directly
16 and predominantly in manufacturing;

17

18 (xiv) "Machinery" means all tangible personal
19 property eligible for a use tax exemption pursuant to W.S.
20 39-16-105(a)(viii)(C), used to produce an article of
21 tangible personal property. The term includes both the
22 basic unit and any adjunct or attachment necessary for the
23 basic unit to accomplish its intended function, the

1 materials for the construction or repair of machinery, and
2 machine tools;

3

4 (xv) "Manufacturing" means the operation of
5 producing a new product, article, substance or commodity
6 different from and having a distinctive nature, character
7 or use from the raw or prepared material.

8

9 **39-16-105. Exemptions.**

10

11 (a) The following purchases or leases are exempt from
12 the excise tax imposed by this article:

13

14 (viii) For the purpose of exempting sales of
15 services and tangible personal property as an economic
16 incentive, the following are exempt:

17

18 (C) The purchase or lease of machinery to
19 be used in this state directly and predominantly in
20 manufacturing tangible personal property, if the sale or
21 lease:

22

23 (I) Is in excess of one thousand
24 dollars (\$1,000.00); and

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(II) Is completed in the case of a sale, or executed in the case of a lease, on or after July 1, 2003.

Section 2. This act is effective July 1, 2003.

(END)