

SENATE FILE NO. SF0159

Tax reform 2020.

Sponsored by: Senator(s) Rothfuss, Case, Coe and Peterson
and Representative(s) Connolly, Harshman,
Madden, Miller, Obermueller, Sommers and
Wilson

A BILL

for

1 AN ACT relating to taxation and revenue; creating the tax
2 reform 2020 committee as specified; requiring a report;
3 providing an appropriation; and providing for an effective
4 date.

5

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

7

8 **Section 1.**

9

10 (a) The Wyoming Legislature finds that the tax
11 structure in Wyoming is disproportionate with mineral
12 extraction historically providing approximately sixty-five
13 percent (65%) to seventy percent (70%) of state tax
14 revenues. Under the current tax structure, if the state

1 economy were to become more diversified in the future those
2 new industries may be assessed taxes in amounts
3 disproportionate to the burdens on other industries. In
4 order to address the state tax structure, there is created
5 the tax reform 2020 committee consisting of the ten (10)
6 members as follows:

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8 (i) Five (5) members of the senate appointed by
9 the president of the senate, not more than four (4) of whom
10 shall be of the same political party. One (1) of the
11 members shall be a member of the joint revenue interim
12 committee and one (1) of the members shall be a member of
13 the joint appropriations committee;

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15 (ii) Five (5) members of the house of
16 representatives appointed by the speaker of the house, not
17 more than four (4) of whom shall be of the same political
18 party. One (1) of the members shall be a member of the
19 joint revenue interim committee and one (1) of the members
20 shall be a member of the joint appropriations committee.

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22 (b) The committee is authorized to sponsor
23 legislation for consideration by the Wyoming legislature.

1 No legislation shall be sponsored by the committee unless
2 it is approved by a majority of the members of the
3 committee from the senate and a majority of the members of
4 the committee from the house of representatives.

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6 (c) The mission of the committee shall be to develop
7 comprehensive legislation for a fair, viable and
8 economically competitive state and local tax structure
9 capable of generating revenues to meet the needs of the
10 state and its citizens independent of the distribution of
11 industry for a diversified economy. In developing
12 legislation under this section the committee shall:

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14 (i) Examine the tax structures of neighboring
15 states as well as the tax structures of the states with
16 high business growth rates;

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18 (ii) Analyze the current state and local revenue
19 system including:

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21 (A) The relative burden imposed by the
22 current tax system on taxpayers and the relative equity of
23 that burden;

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2 (B) The burden imposed by the tax system on
3 individual industries and the relative equity or uniformity
4 of that burden;

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6 (C) The dependability of the current tax
7 system relative to the needs of the state and its citizens;

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9 (D) The relationship between taxes and the
10 revenue needs of the state and local governments in the
11 state;

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13 (E) The relationship between the tax burden
14 and the benefits citizens receive from government in this
15 state including the relative tax benefits and burdens
16 generated by new positions and new citizens entering the
17 state by individual industry.

18

19 (iii) Consider the impact of the state tax
20 structure on economic development and the potential impact
21 of any changes to the tax structure on existing industries
22 and future economic development in the state;

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1 (iv) Identify the path to an equitable tax
2 structure for Wyoming through the year 2040 for a proposed
3 diversified economy. The committee shall establish the
4 proposed approximate percentages of state gross domestic
5 product applicable to the energy production industry,
6 agriculture, tourism, information technology,
7 biotechnology, the financial industry, manufacturing, the
8 service industry and other economic drivers of the state
9 and evaluate the relative tax burdens applicable to each
10 industry including considerations of taxes applicable to
11 the secondary economies related to each industry;

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13 (v) Determine a method to test scenarios for the
14 tax structure or structures considered by the committee and
15 use that testing method to consider the stability of
16 recommendations to revisions of the tax structure;

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18 (vi) Identify incentives to attract industries
19 to Wyoming and diversify the state economy including
20 reviewing the actions of other states, considering options
21 to promote internal commerce, providing partial tax rebates
22 or credits and avoiding double taxation;

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1 (vii) Consider options for increasing autonomy
2 in the tax structures of cities, towns and counties.

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4 (d) Nothing in this section shall be interpreted to
5 require the committee to attempt to solve the near term
6 revenue issues of Wyoming or to specify that the objective
7 of the committee is to increase or decrease revenues.

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9 (e) The committee shall provide a report on the study
10 completed by the committee under subsection (c) of this
11 section to the legislature not later than December 31,
12 2018. The report shall include any legislation sponsored by
13 the committee in order to overhaul, diversify and modernize
14 the Wyoming tax structure.

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16 (f) The committee shall be staffed by the legislative
17 service office. The department of revenue shall serve in an
18 advisory capacity to the committee and shall provide
19 technical and other relevant information as requested.

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21 (g) The committee shall exist until December 31,
22 2018.

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1 **Section 2.** There is appropriated sixty thousand
2 dollars (\$60,000.00) from the general fund to the
3 legislative service office. This appropriation shall be for
4 the period beginning with the effective date of this act
5 and ending June 30, 2019. This appropriation shall only be
6 expended for the purpose of the tax reform 2020 committee
7 as provided in section 1 of this act. Notwithstanding any
8 other provision of law, this appropriation shall not be
9 transferred or expended for any other purpose and any
10 unexpended, unobligated funds remaining from this
11 appropriation shall revert as provided by law on June 30,
12 2019.

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

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19

(END)